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Canadian policemen aboard a boat off Nova Scotia inspecting debris from the Swissair crash.

## No Hope of Swissair Jet Survivors Terrorism Doubled in Crash, With 229 Aboard, Off Nova Scotia

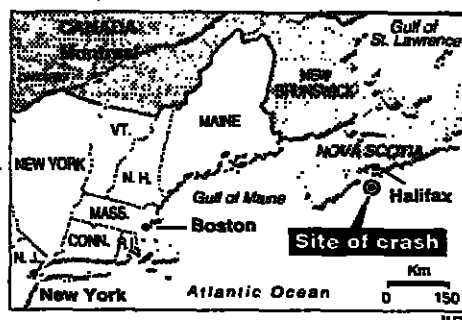
By Brian Knowlton  
International Herald Tribune

WASHINGTON — Canadian search and rescue teams found part of a Swiss airliner's fuselage in deep waters off a Nova Scotia fishing town on Thursday but held no hope that any of the 229 passengers and crew members aboard survived a desperate attempt to land at sea after smoke filled the cockpit.

The crash of the wide-bodied MD-11 jet, Flight 111, Wednesday evening on a flight from New York to Geneva was the worst ever for Swissair, which is ranked as one of the world's safest airlines. It was nearly as deadly as the explosion in July 1996 of TWA Flight 800 off Long Island, New York, in which 230 people died.

Canadian authorities and the U.S. Federal Bureau of Investigation said that there were no immediate signs that would point to sabotage or terrorism.

The pilots were attempting to reach Halifax International Airport after reporting the smoke problem to air traffic controllers in New Brunswick. Many passengers had time to don life-



jackets and brace for an emergency landing. Swissair said that 137 American passport-holders were on the plane, as well as 30 French citizens, 28 Swiss and 6 Britons. The rest of the passengers came from 10 other countries. The Americans included Dr. Jonathan Mann, a prominent AIDS expert, and his wife, Mary Lou Clements-Mann, a researcher at Johns Hopkins University. Dr. Mann was the first AIDS director for the World Health Organization, Page 2.

bers, and probably more, were on the plane, a UN spokesman said. Swissair Flight 111 was frequently used by UN employees. Secretary-General Kofi Annan said he was "deeply saddened" by news of the crash, and flags were lowered outside UN buildings.

Canadian military planes and helicopters, joined by a flotilla of fishing boats, scoured choppy waters about seven miles (11 kilometers) off Nova Scotia through the night, using flares and searchlights. "There were very rough seas, very high winds," a police spokesman said.

More than 150 civilian and military rescuers continued the search Thursday, with skies clearing but hopes dimming fast. About 40 bodies were recovered by early afternoon.

"After I saw what was left and how small the pieces of debris were, you lose all sense of hope," Jim Buckley, a rescue worker, said on CNN. He called the crash site "horrible."

Among a scattering of life jackets, clothing and an oil slick that may have been caused when pilots dumped jet fuel, rescuers found no

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## Moscow Bars Citizens From Bank Accounts

Ruble Continues Decline, Adding to Woes

By Sharon LaFraniere  
Washington Post Service

MOSCOW — The Russian government began enforcing a two-month freeze on withdrawals from six major commercial banks on Thursday in an effort to prevent a wholesale collapse of the banking system.

At the same time, the ruble continued to decline. By the end of the day, a ruble was worth only 7 cents, compared with 16 cents two weeks ago.

The combination of events delivered a double blow to ordinary Russians already hit hard by the country's financial crisis: another cut in their buying power, and the prospect of losing millions of dollars in the banks.

The six banks included the freeze, which was ordered on Wednesday night, now hold 14 billion rubles, or the equivalent of about \$980 million at Thursday's rate.

The Central Bank said depositors would be able to take out their funds on Nov. 15. But unless the government

can somehow halt the ruble's dramatic crash, their funds will most likely be worth far less by then. Those with accounts in dollars will be no luckier. The Central Bank said they would be paid at an exchange rate that collapsed Monday — 9.3 rubles to the dollar, compared with 13.4 on Thursday.

Acting Prime Minister Viktor Chernomyrdin said clients of the six banks might transfer their accounts to the government-owned Sberbank and have the comfort of knowing the government insures their funds. But he acknowledged, "There will be certain losses."

On the streets of Moscow, people greeted the latest wave of bad news with fury. "I think it's highway robbery," said one young man in line at one bank packed like a subway car at rush hour.

"How can you trust Sberbank if you don't trust the country?" one woman asked.

"Now we're like animals scratching at the window, saying: 'Give us our



A woman in Moscow looking at food products Thursday as Muscovites rushed to stock up on goods before the ruble lost more value.

money! Give us back our money!" said Sergei Ivanov, 39, who works for an emergency medical service. "But the train has already left, as they say."

Meanwhile, Mr. Chernomyrdin's prospects of winning confirmation as prime minister appeared to improve slightly. The Duma, the lower house of

Parliament, which overwhelmingly rejected his nomination on Monday, has scheduled a second vote for Friday. If the legislators refuse three times to approve the nomination, President Boris Yeltsin can dissolve the Duma.

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## Corporate Japan Jolted As 2 Firms Face Crises

Steelmaker Folds; Hitachi to Post Huge Loss

By Sandra Sugawara  
Washington Post Service

TOKYO — In a jolting sign of how quickly the Japanese economy is deteriorating, Toa Steel Co. said Thursday it would liquidate, creating the largest failure of a Japanese manufacturer since World War II. Hitachi Ltd. also said it was facing its worst financial crisis since the war.

Hitachi, one of the largest Japanese manufacturers of electric machinery and semiconductors, said it expected a group loss of 250 billion yen (\$1.81 billion), compared with a profit of 3.48 billion yen in the previous financial year.

Toa, meanwhile, said it had debts totaling 250 billion yen. It said it expected debts to exceed assets by about 46 billion yen when it liquidates at the end of this financial year in March. The company will transfer its business to its largest shareholder, NKK Corp., a big-ger steelmaker.

Toa has been struggling with losses for years. But analysts were surprised at its swift demise because NKK led a bailout of Toa in February, with major shareholders making massive cash injections.

At the beginning of this year, analysts were predicting that bankruptcies would be largely limited to weaker Japanese industries, such as finance, retail and construction, which are burdened with high costs and staggering amounts of bad debt.

In contrast, Japanese manufacturers, admired worldwide for their efficiency and quality control, were thought to be Japan's one bright spot that could keep the economy afloat.

"But in a short period of time, the realities of bankruptcies are also hitting manufacturing," said Noriyoshi Kobayashi, general manager of Teikoku Databank, a research group that tracks bankruptcies.

In addition, larger bankruptcies are occurring at a faster pace, despite the fact that the ruling Liberal Democratic Party has been exerting intense pressure on opposition parties to agree to bail out Long-Term Credit Bank of Japan Ltd. and other major banks.

These big banks are thought to be providing life lines to basically insolvent construction, finance and retail companies, which are major employers.

Hitachi announced a restructuring plan Thursday that it said would make it profitable by the next business year. A key element is the elimination of 4,000 jobs. But about half of those employees would have left anyway as part of the normal retirement, Hitachi said.

The other workers will probably be sourced out to Hitachi's affiliated companies or subsidiaries, that is, their salaries will still be paid by the Hitachi Group, although those expenses will be removed from the main balance sheet.

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The Dollar		
New York	Thursday 4 PM	previous close
DM	1.7285	1.748
Yen	134.3	137.7
FF	5.802	5.8635
Pound	1.6747	1.6898
The Dow		
Thursday close	percent change	
-100.15	7.8822	-1.29%
S&P 500		
-8.22	982.26	-0.83%
Nasdaq		
-20.99	1,571.86	-1.32%

### Markets Tremble

• Dollar tumbles to a 10-month low against the mark. Page 13.

• Canada and Latin America face economic turmoil. Page 13.

• Fears of a global slowdown weigh on Wall Street. Page 14.

## 'Firewall' Plan For the Turmoil: Falling Apart As Reality Hits

By David E. Sanger  
New York Times Service

WASHINGTON — Inside the U.S. Treasury Department, some of the strategists desperately seeking to contain spreading outbreaks of financial chaos once called their approach the "firewall strategy."

The idea was straightforward and born of U.S. success in containing the Mexican peso crisis in 1995. As foreign currencies plummeted and investors fled — first from Thailand, then South Korea and now Russia — the Treasury and the International Monetary Fund would stitch together a bailout that insisted on far-reaching reforms, which would rebuild national economies in America's image.

The hope was that the emergency support from the IMF would buy some time, and the promise of change — cleaning up failing banks, imposing austerity and ending corruption and crony capitalism — would lure back investors and protect the United States and other countries from economic contagion.

But now firewall strategy is coming undone. It has collided, some Clinton administration officials concede, with the inability — or unwillingness — of weak or inexperienced foreign governments to give stock and currency markets what they want.

"The political price of complying with the markets' demands are finally hitting home," said Robert Hormats, vice chairman of Goldman, Sachs, which was an investor in Asia and has been deeply involved in the bailouts of South Korea and Russia. "And they simply seem too high."

In Russia, the strategy never amounted to more than a few haphazardly placed bricks. The Parliament has refused to enact many of the IMF's conditions;

## Ulster Peace Taking Root

Hope for 'New Era' as Clinton Arrives in Belfast

By Warren Hoge  
New York Times Service

BELFAST — If President Bill Clinton visited Moscow at one of Russia's most trying moments, he came to Belfast at one of Northern Ireland's most promising.

Recent weeks have produced an unexpected momentum here toward firming up the terms of the April peace settlement, and for the first time people are expressing confidence that the conflict between the Protestant and Roman

Catholic communities that has cost more than 3,200 lives in the past three decades may be over.

"I believe that the type of violence we have seen for 30 years has ended, and we are entering a new phase in the type of approach we have to the political process," said Seamus Mallon, the

deputy leader of the new Northern Ireland Assembly.

Emblematic of the change in habits was the scene Thursday of Mr. Mallon and the Assembly's leader, David Trimble, enthusiastically if awkwardly waving at crowds of cheering people who turned out on a brilliantly sunny day in Belfast to greet the president.

People have been accustomed to see them instead addressing the public with grim press briefings on the intransigence of their political opponents and then ducking into drab government buildings where peace talks dragged on for more than two years. Until recent weeks, people were also unaccustomed to see-

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### AGENDA

#### Iraq Now Blocks Routine UN Inspections

UNITED NATIONS, New York (AP) — The chief UN weapons inspector told the Security Council on Thursday that even under the reduced inspection program in Iraq, UN monitors had been denied access to sites previously approved by Baghdad.

The briefing by Richard Butler came as the United States and Britain introduced a draft resolution that would suspend sanctions reviews until Iraq reversed its Aug. 5 decision to

freeze cooperation with UN inspectors. That decision has prevented inspectors from carrying out any new inspections of suspected weapons sites.

Iraq has said that monitoring of previously checked sites was not affected, but in his briefing, Mr. Butler said that on Aug. 16, UN monitors were refused access to a facility "which had been inspected within the scope of monitoring in the past."

#### The NFL Kickoff

Individual team profiles on how the American football season is shaping up as 29 clubs go after the champion Broncos. Page 21.

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## Malaysian Power Shuffle Hides a Battle Over Image

By Thomas Fuller  
International Herald Tribune

KUALA LUMPUR — Beyond disagreements over economic policy and allegations of misconduct lies a deeper rift between Malaysia's former deputy prime minister, Anwar Ibrahim, and the man who fired him, Prime Minister Mahathir bin Mohamad.

The story of these two men and their struggle for power over the past year is about style, image control and the way in which Mr. Anwar positioned himself on the world scene as a moderate and acceptable choice for prime minister — a move taken at the expense of his outspoken boss.

Mr. Anwar, 51, press savvy and ambitious, was until Wednesday the prime minister's anointed successor. Mr. Mahathir, the country's leader for 16 years, is

awkward in front of cameras and is often described as an old-school politician: not caring much for polishing his image for the sake of the media and foreign fund managers.

With a retinue of analysts, spin doctors and speechwriters, Mr. Anwar went to pains to portray himself as

Anwar is expelled from ruling party. Page 4.

a liberal and dynamic alternative to Mr. Mahathir, 73. Realizing the importance of image control, he and his advisers gave special treatment to the foreign media in Malaysia through interviews and candid off-the-record briefings.

Mr. Anwar, who was also finance minister, was in favor of generational change and was in touch with the

world, his advisers stressed. Mr. Mahathir was a crony capitalist who should step down.

Mr. Mahathir is a frequent critic of the media, and in his usual unfiltered style, has attacked currency speculators for "destroying" the Malaysian economy, warned of neo-colonialism and even said he suspected a Jewish conspiracy was at work in precipitating the regional economic crisis.

His attitude toward the press is more raw than Mr. Anwar's: control, not spin. He meets regularly with editors of local newspapers admonishing them to be more "positive" in their coverage. And when he feels the coverage is unfair, he uses street tactics. Last month two top editors allied with Mr. Anwar were dismissed from their posts.

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See FIREWALLS, Page 17

Newsstand Prices	
Andorra	10.00 FF Lebanon
Antilles	12.50 FF Morocco
Cameroon	1.600 CFA Qatar
Egypt	5.50 FF Réunion
France	10.00 FF Saudi Arabia
Gabon	1.100 CFA Senegal
Italy	2.800 Lire Spain
Ivory Coast	1.250 CFA Tunisia
Jordan	1.250 JD U.A.E.
Kuwait	700 Filis U.S. Mil. (Eur.)



AT&T



## From Rich to Richer / Stock Options Make the Difference

## U.S.-Style Executive Pay Slowly Catches On Worldwide

By David Cay Johnston  
New York Times Service

**R**OSE GERRIT HUY was a fast-rising executive at Daimler-Benz AG, the German industrial giant that makes Mercedes-Benz automobiles. A Harvard-educated economist, she was in charge of developing cars like the SLK roadster before she was promoted to head the company's finance and telecommunications subsidiary.

But last year, Ms. Huy, 43, quit Daimler after 11 years to become Compaq Computer Corp.'s managing director in Germany. Not that her Daimler salary was skimpy, but the Texas-based computer maker offered something that could catapult her into vastly greater riches: stock options.

Ms. Huy would not disclose the size of the options package that lured her away, but these numbers provide a clue: While the chairman of Daimler holds a form of options worth less than \$1 million, the options of the Compaq chairman are worth more than \$188 million at last count.

For the last two decades, even as the global economy has demolished national barriers to trade and investment, the executive pay gap between America and the rest of the world has widened dramatically.

That is largely because the political cultures of many European and Asian countries recoil at the idea of lavishing vast riches on capitalist chiefs for a single year's work. Many Europeans were left agast by pay packages like the \$49.9 million that the Travelers Group chairman, Sanford Weill, collected in 1997, or the more than \$56 million that Michael Eisner, chairman of Walt Disney Co., made in 1997 by exercising fewer than half of his stock options.

Now, though, that attitude is changing, albeit slowly. To stem a drain of executive talent to their American rivals, big corporations in Europe and Asia have begun pressing their governments to modify securities laws and accounting practices that discourage jumbo pay packages.

Stock options give the holder the right to buy shares at a given price over a specified period, usually 10 years. If the stock surges, the holder can exercise the option, sell the stock at a much higher price and pocket the difference.

"The rest of the world is moving to our pay model," said Kevin Murphy, a University of Southern California finance professor and a leading expert on worldwide executive pay. "Maybe that movement is out of efficiency, maybe it is out of greed—we don't know which yet—but the trend is clear."

Graef Crystal, the editor of an executive-compensation newsletter who once designed executive pay plans, took a more jaundiced view.

"The virus," he said, "is now spreading around the world."

Last year, for example, Japan revised its commercial code to allow stock options. Already, 160 companies, including Sony Corp., the entertainment and electronics concern, have adopted option plans, according to Bob Buford, a compensation specialist who has worked with many Japanese companies.

The invasion of American-style pay plans, including stock options, is uneven in Europe, specialists say. It is happening faster in the high technology sector, and slower in manufacturing and heavy industry. But it is having a big impact wherever it is found, and the recent turmoil in global stock markets, although it may have cut the value of some compensation packages, is unlikely to have any long-term effect on equity-based pay.

In France, the Netherlands and Australia, a few companies have started adding options and other forms of equity to executive compensation packages, a practice that the British began widely adopting in the early 1980s.

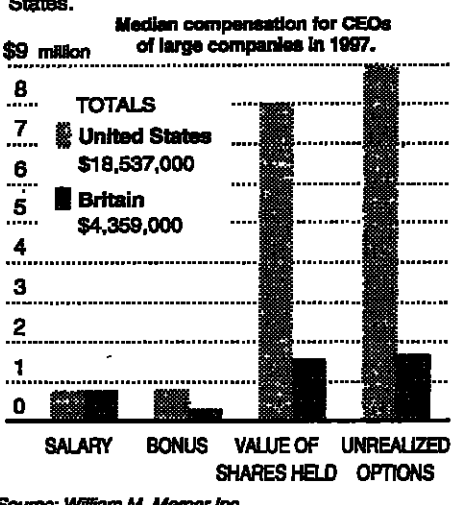
**I**N GERMANY last month, a court upheld a form of stock options that Daimler offered two years ago to 170 executives, a pool it has since expanded tenfold, while also increasing the size of its still-modest option packages.

"The world is now moving to the U.S. model because it works very well for shareholders," said Steven Kaplan, a finance professor at the University of Chicago.

Even in America, where offering stock options is widespread, the practice is controversial, especially when poor-performing executives

## Shares Make All the Difference

American executives typically earn much more than their counterparts abroad. With base salaries relatively equal, the difference is almost entirely due to stock options. Britain has been adding stock options and other forms of equity to executive pay, but is still far behind the United States.



Source: William M. Mercer Inc.

NYT

walk away with multi-million-dollar payoffs

either because their stock has been held

aloft by the bull market or because the

exercise price has been reset downward.

Despite all the criticism, other countries

are embracing the practice. In London,

Paul Hodgson, an editor at Income Data

Services, which tracks executive compensation

at British companies, said that the "only difference

is in the size of pay, not the components, which

are going toward the U.S. style."

While options in Britain have tended to be

modest, Unilever PLC, the British household

products maker, and Marks &amp; Spencer

PLC, Britain's largest retailer, are moving toward

American-style mega-grants.

Some companies, including SmithKline

Beecham PLC, the drug concern with major

operations in London and Philadelphia, and Four

Seasons Hotels and Hilton International, a unit

of Ladbrooke Group PLC, the multinational

lodging company, have made all or parts of

their compensation packages identical regardless

of where an executive is stationed.

Compensation experts call such plans "global

pay." Translation: pay on an American scale.

These experts say global pay eliminates internal

tensions that arise when, say, the home office

executives in Brussels or Osaka make less than

their subordinates in Chicago or Los Angeles.

The disparity in pay between American

companies and the rest of the world came into

sharp focus in May, when Daimler agreed to

acquire Chrysler Corp., whose No. 2 executive

made more last year from salary, bonus and

cash-in options than the top 10 Daimler executives

combined.

Both Daimler and Chrysler have told share-

holders that the new DaimlerChrysler will have separate pay plans for executives in Stuttgart and in Detroit, an indication that it does not plan to quickly equalize pay. But Daimler is also planning to ask shareholders to approve a new equity pay plan, a spokesman for Daimler said.

**R**OBERT EATON, the No. 2 Chrysler executive, predicted that German and American executives at DaimlerChrysler would someday be paid similarly. "We have to be competitive," he said.

The trend toward raising the compensation of executives at multinational companies to the levels in the United States has encountered all sorts of opposition—even from the very executives who stand to benefit from it. Alan Johnson, a compensation consultant in New York, said many European and Asian executives

have worked with showed an obvious distaste for huge options payouts. "I have been surprised that it is not just a legal, wake-up-and-smell-the-money issue," Mr. Johnson said, "but it is deeply rooted in their culture and views that you just don't seek unlimited money."

Mr. Johnson predicted that like Daimler, "most companies will change in baby steps." He added, "It will take a decade or so to get like the U.S."

Europe's high income-tax rates can make such perks as cars, chauffeurs, gardeners and lifelong health benefits as big a draw as options. And European tax laws discourage companies from making bonafide options awards by treating them as a cost on the corporate balance sheet rather than as a deduction on their taxes. As a result, European stock-incentive plans are often watered-down versions of their American counterparts.

## ■ French Broadcaster Offers Options

Canal Plus SA's board offered its management stock options at a 40 percent premium to the share price as an incentive to return the biggest European pay television company to profit, Bloomberg News reported from Paris.

Jean-Marie Messier, chief executive of Vivendi SA, the company that became Canal Plus's biggest shareholder this year, told an investors' seminar in Paris Thursday that the board approved the plan at its last meeting.

Mr. Messier is stepping up pressure on Canal Plus's management to improve results.

Canal Plus, the pioneer of pay-television in France and the first company to launch digital satellite television in Europe, predicted in March a loss of about 600 million French francs (\$102 million) for this year.

## U.S. Says It Didn't Know Sudan Plant Made Drugs

By Tim Weiner  
and Steven Lee Myers  
New York Times Service

**WASHINGTON**—When the United States launched cruise missiles against a factory in Sudan on Aug. 20, it was unaware that the plant made medicines, according to Defense Secretary William Cohen.

But he insisted that the incomplete intelligence was irrelevant to President Bill Clinton's decision to destroy the plant. He said the attack was justified by information showing that the plant made EMPTA, a key ingredient for VX, a nerve agent, and might be linked to Osama bin Laden, the Saudi millionaire suspected of ordering the bombing of the U.S. embassies in Kenya and Tanzania.

The financial connection between the plant and Mr. bin Laden was at most "indirect," Mr. Cohen said Wednesday, modifying his assertion on the night of the attack that Mr. bin Laden had a direct link to it. Mr. Cohen also said the United States did not learn until several days after the attack on the plant that it made medicine.

Criticizing the attack, the Sudanese ambassador to the United States said Wednesday that it showed Washington's "Wild West" shoot first, boys, and ask questions later philosophy.

In a meeting with senators Wednesday, the Central Intelligence Agency again asserted that its discovery of EMPTA near the factory was proof that the plant could be used by terrorists.

The CIA sent an agent to the plant, and that agent took a soil sample from inside the plant's gates, a few yards from the building, officials said. The soil contained more than twice the level of EMPTA that would be considered a trace, the director of central intelligence, George Tenet, told senators Wednesday.

The United States insists there is no reason for EMPTA to be found in a pharmaceutical plant. Others, however, say it could be confused with pesticides that have similar characteristics. The international body that seeks to eliminate chemical weapons says that theoretically there are other uses for EMPTA, though it does not know of any commercial products using it.

The Sudanese ambassador to the United States, Madhi Ibrahim Mohammed, insisted that the plant was not part of an Iraqi-backed effort to make weapons for Mr. bin Laden.

"This plant was not manufacturing chemical weapons for terrorists," he said in a speech at the National Press Club. "It was engaged in manufacturing human and veterinary medicine, and was an approved supplier of export medicine under the UN's food-for-oil program. The UN licensed the Sudan to send medicine under that program, under the supervision of the UN, to Iraq."

U.S. officials said Wednesday that the United Nations contract, awarded in December, had never been fulfilled. The ambassador said his nation would have helped root out suspected terrorist operations if Americans had asked.

He met on Tuesday with Susan Rice, assistant secretary of state for African affairs. She told him the attack was "not against the Sudanese people, and not against the Sudanese government, but against a facility where we had very credible evidence that this chemical was being produced," an American official who was at the meeting said.

## Pioneer in Battling AIDS Victim of Swissair Crash

The Associated Press

**GENEVA**—Dr. Jonathan Mann, 51, a pioneer in the fight against AIDS, was among the 229 people killed in the Swissair crash off Nova Scotia, a spokesman for the World Health Organization said Thursday.

Dr. Mann's wife, Mary Lou Clemente-Mann, also 51, the head of the center for immunization research at Johns Hopkins University School of Hygiene and Public Health in Baltimore, was also killed.

Dr. Mann, the outspoken head of the United Nations' global AIDS program during the 1980s, resigned in 1990 after a bitter disagreement with Hiroshi Nakajima, then director-general of the World Health Organization.

Dr. Mann was most recently dean of the School of Public Health of Allegheny University of the Health Sciences in Philadelphia.

Dr. Mann resigned in December from

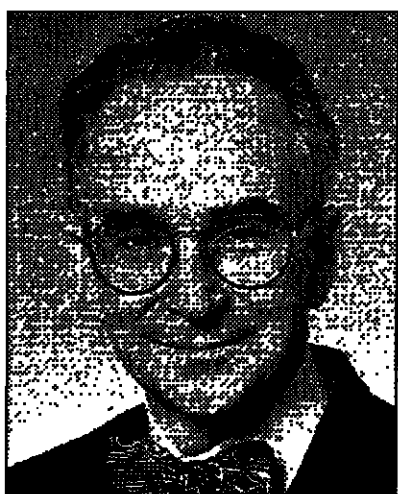
Harvard University's School of Public Health, where he was a professor of international health and epidemiology. He was also director of Harvard's Francis and Xavier Bagnoud Center of Health and Human Rights.

The Boston native headed the UN's AIDS program from 1986 until 1990, when he resigned, asserting that Mr. Nakajima's attitude "completely paralyzed our efforts."

Dr. Mann's death is "a terrific loss for the whole AIDS community because his name and voice are very familiar to anybody who works on this issue," said Larry Kessler, executive director of the AIDS Action Committee of Boston.

"I think his only regret was that he could never find enough money worldwide that would make a big enough dent in this epidemic," he said.

Dr. Mann had intended to become an eye doctor, but became interested in public health when he worked after



Dr. Jonathan Mann and his wife were among those killed in crash.

graduation in New Mexico for the Centers for Disease Control. He switched to the state's public health department, where he stayed for 10 years.

After that, Dr. Mann accepted an offer to spend a year in Zaire setting up an AIDS research facility under the auspices of the World Health Organization.

## Israeli Public Workers Strike

Reuters

**JERUSALEM**—Government offices, the phone and electric companies, ports and schools throughout Israel were shut Thursday as 300,000 public sector workers began a strike for pay increases.

Finance Minister Yacov Neeman warned that the action could destabilize the economy at a time when it was vulnerable to turmoil from world financial markets.

The Histadrut labor federation called the open-ended strike after talks with the Treasury over its demand for an 8 percent raise broke off Thursday morning.

Unions said the strike targets included state-owned Bezeq Israel Telecom, Israel Electric Co., government offices, courts, and the port authority. Ben-Gurion International Airport near Tel Aviv, banks and the Tel Aviv Stock Exchange were excluded from the stoppage, which began at 6 A.M. Teachers have been on strike since Tuesday in a separate wage dispute.

Mr. Neeman called on union leaders

to return to the negotiating table and promised an agreement that would protect their salaries against inflation.

"I call on them to return immediately to the negotiating table, to talk and try to distinguish what things are possible within the range of what Israel can do," Mr. Neeman said.

He said the government's hands were tied by the need to maintain stability at a time of volatile global financial markets. "We cannot damage the Israeli economy in this grave situation," he said.

A Histadrut spokeswoman, Rachel Turgenman, said the Treasury had left the workers no choice.

"An entire year of negotiations failed to reach agreement so we were unable to prevent the strike," she said.

Prime Minister Benjamin Netanyahu, who on Tuesday had portrayed Israel as an "island of stability in the heart of a global storm" unleashed by Russia's economic crisis, called the stoppage irresponsible.

"I think it is just a scandal," he said.

## Allen Drury, 80, Novelist About Washington, Dies

By Dinitia Smith  
New York Times Service

**NEW YORK**—Allen Drury, 80, the quintessential Washington novelist and author of "Advise and Consent," died of cardiac arrest Wednesday in San Francisco.

"Advise and Consent," for which Mr. Drury won a Pulitzer Prize in 1960, is about a nominee for secretary of state who during his confirmation hearing is found to have had communist sympathies. It is a big, sprawling work of betrayal and intrigue, packed with details and insider knowledge of Congress; the novel includes the blackmailing of a senator by a homosexual past who as a consequence commits suicide.

Mr. Drury, a former reporter in the Washington Bureau of The New York Times, was a prolific author of 19 novels and 5 books of nonfiction.

As a novelist, he was fond of complicated plots and larger-than-life characters, and wrote trilogies and series of books about the same characters.

Born in Houston, he grew up in California and graduated from Stanford University in 1939. His experiences at Stan-

ford formed the core of his intellectual and emotional life and provided the basis for his novels "Toward What Bright Glory" and "Into What Far Harbor."

In 1940, he went on to work for The Tulare California Bee, where he won a Sigma Delta Chi citation for editorial writing. During World War II, Mr. Drury was a Senate reporter for United Press International in Washington.

"They were big men in the Senate then," he said in an interview. "And they didn't have the phalanx of aides they have now. They wrote their own speeches, staked out their own positions."

The New York Times hired Mr. Drury as a reporter in 1954. During the early morning hours before he went to Capitol Hill, he wrote "Advise and Consent," bringing to bear the knowledge he had gleaned as a reporter on the Hill. As soon as it was published, the book became a best-seller and Mr. Drury quit the newspaper to become a political correspondent for the Reader's Digest.

He wrote six sequels to "Advise and Consent," including "Preserve and Protect," and "A Shade of Difference."

## TRAVEL UPDATE

## Dutch Pilots Worried

**AMSTERDAM (AP)**—Dutch pilots warned the government Thursday that plans to build an airport on an artificial island in the North Sea would create difficult conditions for planes landing there.

The Dutch government is exploring ways of easing the pressure on Amsterdam's busy Schiphol Airport, and a new runway and terminal in the North Sea are among the options under consideration.

But the Association of Dutch Pilots said that weather conditions over the North Sea would create tricky conditions for pilots landing on an island.

## Northwest Talks Set

**MINNEAPOLIS (AP)**—Northwest Airlines and its striking pilots have agreed to meet for exploratory talks on Thursday.

The news was announced as Northwest canceled all domestic flights through Monday and inbound flights from Europe and Asia through Tuesday.

The Bangladesh national carrier, Biman, has banned smoking on domestic and some international flights, an official said Thursday. (AP)

## WEATHER

Forecast for Saturday through Monday, as provided by AccuWeather.

Europe	Today		Tomorrow		Day After	
	High	Low	High	Low	High	Low
Algeria	20/10	10/0	20/10	10/0	20/10	10/0
Amsterdam	20/10	10/0	20/10	10/0	20/10	10/0
Barcelona	20/10	10/0	20/10	10/0	20/10	10/0
Berlin	20/10	10/0	20/10	10/0	20/10	10/0
Bombay	20/10	10/0	20/10	10/0	20/10	10/0
Buenos Aires	20/10	10/0	20/10	10/0	20/10	10/0
Calcutta	20/10	10/0	20/10	10/0	20/10	10/0
Chennai	20/10	10/0	20/10	10/0	20/10	10/0
Colombo	20/10	10/0	20/10	10/0	20/10	10/0
Delhi	20/10	10/0	20/10	10/0	20/10	10/0
Dhaka	20/10	10/0	20/10	10/0	20/10	10/0
Hong Kong	20/10	10/0	20/10	10/0	20/10	10/0
Kuala Lumpur	20/10	10/0	20/10	10/0	20/10	10/0
London	20/10	10/0	20/10	10/0	20/10	10/0
Los Angeles	20/10	10/0	20/10	10/0	20/10	10/0
Manila	20/10	10/0	20/10	10/0	20/10	10/0
Mumbai	20/10	10/0	20/10	10/0	20/10	10/0
New Delhi	20/10	10/0	20/10	10/0	20/10	10/0
Osaka	20/10	10/0	20/10	10/0	20/10	10/0
Paris	20/10	10/0	20/10	10/0	20/10	10/0
Rangoon	20/10	10/0	20/10	10/0	20/10	10/0
Seoul	20/10	10/0	20/10	10/0	20/10	10/0
Singapore	20/10	10/0	20/10	10/0	20/10	10/0
Taipei	20/10	10/0	20/10	10/0	20/10	10/0
Tokyo	20/10	10/0	20/10	10/0	20/10	10/0
Yokohama	20/10	10/0	20/10	10/0	20/10	10/0

**North America** Europe Asia  
The heat wave will move. The remnants of Hurricane Ernesto will result in very warm and humid conditions across the eastern U.S. and southern Canada. A cold front will move into the Midwest and South. Heavy rain will continue to bring activity across the South and high winds will delay rain to Korea and the west, possibly delaying flights into London and islands of Japan. A tropical storm will move into the Gulf of Mexico and may affect the Florida and Texas coasts.

North America	Today		Tomorrow		Day After	
	High	Low	High	Low	High	Low
Anchorage	10/10	0/0	10/10	0/0	10/10	0/0
Atlanta	20/10	10/0	20/10	10/0	20/10	10/0
Boston	20/10	10/0	20/10	10/0	20/10	10/0
Chicago	20/10	10/0	20/10	10/0	20/10	10/0
Denver	20/10	10/0	20/10	10/0	20/10	10/0
Detroit	20/10	10/0	20/10	10/0	20/10	10/0
Houston	20/10	10/0	20/10	10/0	20/10	10/0
Los Angeles	20/10	10/0	20/10	10/0	20/10	10/0
Madrid	20/10	10/0	20/10	10/0	20/10	10/0

Asia		
	Today	Tomorrow
	High C/F	Low C/F
Amoy	30/10 10/8	35/16 21/0
Bah	29/08 22/1	35/16 21/0
Bangkok	30/08 24/1	33/1 29/7
Beijing	30/08 24/1	33/1 29/7
Bombay	30/08 24/1	33/1 29/7
Buenos Aires	30/08 24/1	33/1 29/7
Calcutta	30/08 24/1	33/1 29/7
Cebu	30/08 24/1	33/1 29/7
Colon	30/08 24/1	33/1 29/7
Hankow	30/08 24/1	33/1 29/7
Ho Chi Minh	30/08 24/1	33/1 29/7
Hong Kong	30/08 24/1	33/1 29/7
Indonesia	30/08 24/1	33/1 29/7
Japan	30/08 24/1	33/1 29/7
Kobe	30/08 24/1	33/1 29/7
K. Lumpur	30/08 24/1	33/1 29/7
K. Manila	30/08 24/1	33/1 29/7
Manila	30/08 24/1	33/1 29/7
Medan	30/08 24/1	33/1 29/7
New Delhi	30/08 24/1	33/1 29/7
Peking	30/08 24/1	33/1 29/7
Prague	30/08 24/1	33/1 29/7
Rangoon	30/08 24/1	33/1 29/7
Shanghai	30/08 24/1	33/1 29/7
Singapore	30/08 24/1	33/1 29/7
Taipei	30/08 24/1	33/1 29/7
Tientsin	30/08 24/1	33/1 29/7
Yokohama	30/08 24/1	33/1 29/7

Africa		
	Today	Tomorrow
	High C/F	Low C/F
Agadez	33/01 22/7	30/08 23/7
Algiers	14/57 7/4	10/51 7/4
Cape Town	24/75 16/6	26/82 23/7
Casablanca	24/75 16/6	26/82 23/7
Cairo	24/75 16/6	26/82 23/7
London	24/75 16/6	26/82 23/7
Lagos	24/75 16/6	26/82 23/7
Nairobi	24/75 16/6	26/82 23/7
Tunis	30/08 24/1	33/1 29/7

Latin America		
	Today	Tomorrow
	High C/F	Low C/F
Buenos Aires	19/61 10/5	19/61 10/5
Cebu	20/10 10/8	20/10 10/8
Colon	20/10 10/8	20/10 10/8
London	20/10 10/8	20/10 10/8
Manila	20/10 10/8	20/10 10/8
New York	20/10 10/8	20/10 10/8
San Francisco	20/10 10/8	20/10 10/8
Santiago	20/10 10/8	20/10 10/8

Oceania		
	Today	Tomorrow
	High C/F	Low C/F
Auckland	10/54 6/8	10/54 6/8



## THE AMERICAS

## Clinton Said to Admit Aiding Lewinsky's Job Search

By John F. Harris  
and Susan Schmidt  
Washington Post Service

WASHINGTON — President Bill Clinton told prosecutors that he tried to help Monica Lewinsky in January in her efforts to find a private-sector job and asked a senior White House aide whether he would be willing to write her a favorable job recommendation, according to sources familiar with his grand jury testimony last month.

Mr. Clinton, sources said, asked John Hilley, then serving as the White House legislative liaison, whether Mr. Hilley could recommend the former intern for a job. But sources supportive of the president's defense described this exchange as innocuous, since Mr. Clinton never instructed Mr. Hilley to write a recommendation, and none was apparently ever written.

Mr. Clinton's effort on behalf of Ms. Lewinsky, with whom he has acknowledged having an extramar-

ital relationship, came at the same time that lawyers for Paula Jones had issued a subpoena seeking Ms. Lewinsky's testimony in Mrs. Jones's sexual harassment suit against the president.

After receiving a private job offer in New York, Ms. Lewinsky signed an affidavit swearing she had no sexual relationship with the president. The independent counsel Kenneth Starr is exploring whether Mr. Clinton obstructed justice by allegedly seeking to win Ms. Lewinsky's silence about their relationship.

January was only the latest time Mr. Clinton had taken a personal interest in Ms. Lewinsky's job prospects, Mr. Clinton acknowledged in his Aug. 17 grand jury testimony, sources said.

In the summer of 1997, he talked to the White House deputy personnel director, Marcia Scott, about Ms. Lewinsky's desire to return to the White House after her involuntary reassignment to the Pentagon the

year before.

Senior White House officials have told the grand jury that they wanted Ms. Lewinsky out of the White House because they believed she was spending too much time around the president but claimed they did not know she was in an intimate relationship with him.

Mr. Clinton, sources said, discussed with Ms. Lewinsky her anger about being transferred and later asked Ms. Scott if there was a position for her back at the White House. But sources said Mr. Clinton issued no instructions to Ms. Scott and suggested she find something for Ms. Lewinsky only if it was "appropriate."

In the end, sources said, Ms. Scott did not offer Ms. Lewinsky a job and assured her that her public affairs job at the Pentagon was far from a demotion or black mark on her record.

The disclosures about Mr. Clinton's testimony represent the first acknowledgment that he played a

direct role in her job searches. In the Paula Jones case, he said he was aware that his secretary, Betty Currie, was helping Ms. Lewinsky look for work but acknowledged nothing about his own role.

Allies of the president said that the job efforts by Mr. Clinton in the summer of 1997 show that he was not motivated by a desire to stop her from cooperating in the Jones suit, since at that point no subpoenas had been issued in the case.

Also, they said, neither that intervention nor the one in January yielded any results, either in the form of recommendations or a job — hardly an example of a president using all the influence at his command to win special treatment for a potential witness against him.

This argument about facts and their meaning — whether certain actions by Mr. Clinton and others in the case were sinister or benign — has been a recurring theme of recent weeks, and it is only going to accelerate in coming days.

White House lawyers and political advisers have been busy devising a response to what they anticipate will be Mr. Starr's contention that Mr. Clinton's actions constituted obstruction of justice.

Mr. Starr, for instance, has pressed witnesses about why Ms. Lewinsky returned gifts that Mr. Clinton had given her to Mrs. Currie when they were subpoenaed; Clinton allies say her return of gifts is insignificant, since Mr. Clinton gave her more gifts at about the same time.

Once allegations about Mr. Clinton's relationship with Ms. Lewinsky exploded into public view in January, a Clinton friend, Vernon Jordan, acknowledged that he had kept Mr. Clinton apprised of his own efforts to help her get a New York private-sector job.

The job offer he helped arrange, with Revlon Inc., came days before she gave her affidavit in the Jones case, but it was rescinded after the controversy broke.

## POLITICAL NOTES

## Welfare Fathers Get a Push

WASHINGTON — They are young, poor and hard beyond their years, with résumés that often list jails, not jobs. Their earnings have spent decades in decline, and so has their likelihood to marry. Yet, there is a growing sense that the nation's ambitious welfare overhaul cannot succeed without them.

With tough new rules now in place for welfare mothers, the spotlight is turning to welfare fathers. Dozens of programs have sprung up in the last few years, seeking to raise the incomes of these missing men and strengthen their ties to their children. Although few can yet show clear success, the effort has suddenly found a wellspring of government and philanthropic support.

Nearly all the states given lucrative federal welfare-to-work grants this year have pledged to include fathers in their programs. The Ford Foundation, which virtually created the welfare-to-work field two decades ago, is seeding a parallel industry to run programs for men and study them. And most surprisingly, some congressional Republicans have proposed a multibillion-dollar program for poor, unwed fathers — scarcely a Republican constituency.

To glimpse the odd politics, consider the journey of Representative Clay Shaw Jr., the Florida Republican who was the main author of the 1996 welfare law. That law made unprecedented spending cuts and expressed a profound unease with activist government. Now, Mr. Shaw is pushing a "Fathers Count" bill that would spend \$2 billion on the kind of men who gather on street corners with half-smoked cigarettes behind their ears.

Community groups would use the money to provide poor fathers with job training and parenting advice and encourage them to marry.

"If you're going to solve the problem of poverty, you've got to do what you can to make these guys marriage material," Mr. Shaw said. "So many of them — I would say the majority of them — are men these women wouldn't want to marry. And I don't blame them. They don't have jobs."

## 15,000th Vote for Thurmond

WASHINGTON — Temporarily halting consideration of the federal budget, the Senate honored Armed Services Committee chairman Strom Thurmond, Republican of South Carolina, for becoming the second senator in history to vote 15,000 times.

It was a procedural vote on an appropriations bill that prompted Mr. Thurmond to reach the milestone Wednesday. Senator Robert Byrd, Democrat of West Virginia, who is about 140 votes ahead of Mr. Thurmond, achieved the 15,000 mark in May.

Having arrived in the Senate when some of his colleagues were still in grade school, Mr. Thurmond, at 95 the oldest senator ever to serve, won praise from political friends and foes alike.

"I would like to thank Strom Thurmond, not always for his stands on issues, but for the way he treats people," said Senator Paul Wellstone, Democrat of Minnesota, a liberal who rarely sides with the conservative Mr. Thurmond. (LAT)



An overturned truck in Alligator Point, Florida, showing the power of the storm.

## Hurricane Batters Florida

Reuters

TALLAHASSEE, Florida — The hurricane designated Earl raged across the southeastern United States on Thursday, generating 80-mile-an-hour winds, driving rains and a pounding surf that flooded coastal towns on the Florida panhandle.

It was the second hurricane to strike the U.S. southeast coast in eight days, and it pushed a wall of water from the Gulf of Mexico into low-lying barrier islands and villages along Florida's Big Bend. Then it moved inland where it dumped rain on four states and spawned tornadoes.

The U.S. Coast Guard said two men were missing after two fishing vessels capsized south of Panama City, near where the hurricane went ashore.

Governor Lawton Chiles of Florida declared a disaster area across the Gulf coast,

ordering state offices in at least 15 counties closed on Thursday as crews moved into the streets to clean up and restore power to thousands of homes.

"It's going to be the kind of damage you would expect — storm surges, flooding and widespread power outages," said Barbara Doran, a spokeswoman for the state's Office of Emergency Management.

At least 15,000 people were without power on the Gulf coast, and a tornado spawned by the hurricane damaged 11 homes and 6 businesses in Brevard County, on Florida's east coast, emergency managers said. The storm dumped heavy rain on Florida, Georgia, North Carolina and South Carolina.

Residents who evacuated low-lying areas and barrier islands waited until dawn before trying to return to their homes.

## New Investigation of Clinton

## Independent Counsel May Look Into '96 Campaign

By Roberto Suro  
Washington Post Service

WASHINGTON — President Bill Clinton is the subject of a new Justice Department investigation to determine whether an independent counsel should look into allegations that he violated campaign spending laws during his 1996 re-election effort, according to officials familiar with the inquiry.

The president's private attorney, David Kendall, met with Justice Department officials Wednesday in an effort to convince them that no further investigation was justified but that, if a formal inquiry does move forward, it should be directed at the 1996 campaign organization rather than at Mr. Clinton himself, officials said.

The review was prompted by new information suggesting that the president and his top political aides controlled advertising that was paid for by the Democratic National Committee but that was aimed at advancing Mr. Clinton's re-election effort, thus circumventing the spending limits on individual federal campaigns, officials said.

The basic questions being raised have been debated in the Justice Department and among experts on election law since the closing days of the 1996 campaign.

At least three times, At-

torney General Janet Reno has formally examined allegations related to the Democratic National Committee ads and the funds used to pay for them.

Each time, she has concluded that there are no grounds for an independent counsel investigation.

But for the White House, the new round of inquiry represents a time-consuming and perilous re-emergence of a threat that officials there thought was behind them.

If an independent counsel is appointed, it would guarantee an exhausting new distraction for the White House. The case comes while both Vice President Al Gore and a former senior White House aide, Harold Ickes, face separate Justice Department investigations into whether they violated campaign fi-

nance laws. Both those investigations, which could lead to the appointment of a separate independent counsel, are further along than the review now being made of President Clinton's activities.

The Justice Department inquiry into Mr. Clinton's activities is at the first stage of the independent counsel process and thus far does not reflect a finding of any wrongdoing by the president or by anyone associated with his successful 1996 campaign.

Under a deadline set by law, Mr. Reno has until the middle of next week to determine whether there are grounds to open a preliminary investigation.

Only after that inquiry was completed would she face the question of whether to seek an independent counsel.

## AMERICAN TOPICS

## Alternative Medicine Edges Toward the Mainstream

If anyone doubted that alternative medicine had become big, big medicine, consider the following: The number of homeopaths has risen to 3000 this year from 200 in 1970. The number of massage schools has soared to 800 today from 15 in 1969. Sales of herbal supplements are up sharply, rising in just three years to \$3.65 billion last year from \$2.09 billion in 1994.

Once part of the counterculture, alternative medicine is now an \$18 billion industry. But even as it edges toward the mainstream, much alternative medicine remains experimental and unproven. There are "healers" who prescribe herbal tinctures based on ancient potions, and there are high-tech pressurized oxygen chambers. Herbal supplements are hugely popular, though they, like much that is alternative, are unregulated by the government.

When the Los Angeles Times commissioned tests of 10 brands of St. John's-wort, which is said to relieve depression, eight of them contained less than 75 percent of their advertised potency. Estimated sales of the drug will hit \$400 million this year.

The medical establishment has gradually embraced some offshoots of the alternative movement, such as acupuncture, yet others are seen as worthless or even dangerous. The paradox, historians say, is that alternative medicine is blooming at the end of a century in which mainstream, scientific medicine has helped vastly extend life expectancy. Yet because people do live longer, they face more chronic, debilitating disorders — and look for alternative solutions.

## Short Takes

Students may be more wired than ever, carrying laptop computers and chatting over the Internet, but they appear slow to plug into well-paying careers in information technology, according to a survey. Only 3 percent of high school graduates who took the ACT assessment test picked computer and information science as likely vocations, the testing service announced.

Many more chose business, psychology, law, or health services. Meanwhile, the average salary offered to new college graduates in computer science jumped this year to \$41,561, up nearly 12 percent from a year earlier. Employers are looking increasingly overseas for help.

As the number of children in a family rises, Ohio State University researchers found a few years ago, the grades and standardized-test scores of all of the children declined, compared with children from smaller families. "Parents only have so much time and money," said Douglas Downey, the chief researcher. "The more children they have, the more those resources are diluted."

But Mr. Downey wanted to find out if the same applied in groups where large families are encouraged. One group that defied the rule, he found, were the Mormons, according to The Chronicle of Higher Education. Mr. Downey said Mormon parents may spend less money and time on themselves than other groups do, and that Mormon communities regularly help large families.

Brian Knowlton

## Drug to Cut Breast Cancer Risk Backed

By Susan Okie  
Washington Post Service

WASHINGTON — A U.S. government advisory panel has given a qualified endorsement to the first breast cancer prevention drug, recommending that the Food and Drug Administration approve tamoxifen for some women at high risk for developing the disease.

But the expert panel refused to say that the drug "prevents" breast cancer in high-risk women, because no study has yet shown that those who take tamoxifen are ultimately less likely to die of the disease.

"I think doctors and patients should be allowed to decide this issue on an individual basis," said George Sledge, a panel member and professor of medicine at the Indiana Cancer Pavilion. "Having said that, I am tremendously concerned about how it is going to be used."

The Food and Drug Administration is not required to follow the recommendations of its advisory panels, but it usually does.

Earlier this year, a five-year, government-funded study of more than 13,000 women was halted when it found that women at high risk for breast cancer who took tamoxifen had 45 percent fewer cases of breast cancer than similar

women given a placebo. The study raised hopes that a drug could reduce the risk of being stricken with the leading type of cancer among U.S. women.

The study, however, was not large enough or long-lasting enough to detect a difference in mortality. Panel members and speakers at a meeting Wednesday said longer follow-up of women in this and other studies was urgently needed to learn whether tamoxifen prevents tumors or merely slows their growth and delays their appearance. They also expressed concern about tamoxifen's side effects, which are sometimes fatal. Three women who took tamoxifen in the U.S. study died of blood clots in the lungs.

Consumer activists and some medical experts worried about exposing many women to a powerful drug to prevent cancers that would otherwise strike a small percentage of them. "We are talking about large numbers of healthy women, and there are risks," said Trevor Powles, who headed a smaller British study that failed to find a reduction in breast cancers with tamoxifen use.

Tamoxifen users in the U.S. study had more than twice as many cases of cancer of the endometrium (the lining of the uterus) as women given a placebo, and an increased risk of serious blood clots in the legs and lungs. They also developed

more cataracts. But they suffered fewer fractures than placebo users. There was no significant difference in heart attacks or strokes, nor in overall mortality.

Although women on tamoxifen showed a striking reduction in breast cancers, the study used a complex formula to decide which women had a high enough risk of breast cancer to justify trying the drug. All women age 60 or older were considered high risk on the basis of age. Women between 35 and 60 were considered high risk if they had various combinations of risk factors, such as close relatives with breast cancer, no children or late child-bearing, early onset of first menstruation, or a history of various breast abnormalities.

Jerry Lewis, senior medical director of Zeneca Pharmaceuticals, an American unit of Zeneca Group PLC of Britain that markets tamoxifen under the brand name Nolvadex, hailed the panel's decision. "It is the first time this advisory committee has gathered to deliberate and vote on a drug for breast cancer prevention," Mr. Lewis said.

Zeneca representatives said the company planned to develop materials to help doctors and women decide who should take the drug. But consumer advocates predicted that once the drug was approved, it was likely to be aggressively marketed to consumers.

## Away From Politics

Two pilots whose jetliners were eight seconds from a collision averted disaster by veering sharply about 60 miles east of San Diego, said federal authorities, blaming a lapse by a busy air traffic controller. Delta Air Lines Flight 550 and Alaska Airlines Flight 257 came as close as 2 1/2 miles. (AP)

A man who said he fatally stabbed his former wife to protect her from aliens pleaded guilty in Elizabeth, New Jersey, to manslaughter, meaning he could face 40 years in prison. (AP)

Strippers performed for males in full view of a Wall Street brokerage firm, the New York state attorney general charged, filing a \$10 million lawsuit against Garban LLC. The lawsuit charges that Garban also made it difficult for women employees to advance. (AP)

## Not Ready for Year 2000

## 7 U.S. Agencies Lagging on Computer Problems

Washington Post Service

WASHINGTON — The number of federal agencies making inadequate progress on resolving Year 2000 computer problems has grown by one, to seven, and new estimates peg the cost of the government-wide repair job at almost \$3.4 billion, Clinton administration officials announced.

In an Office of Management and Budget report scheduled for release Thursday, the State Department comes the latest addition to a White House list of agencies that face exceptional troubles in fixing computer systems so they will recognize the new century and function properly on Jan. 1, 2000.

Vice President Al Gore met Wednesday with officials from the seven troubled agencies and left little doubt

that the repair job should be their No. 1 management concern, participants said.

Besides the State Department, the agencies are the departments of Defense, Education, Energy, Health and Human Services and Transportation and the Agency for International Development.

"The vice president's tone was serious and direct," an official at the meeting said. "There was no mistaking his intentions."

Mr. Gore, who has cast himself as a champion of high technology and probably will be campaigning for president in 2000, told the agencies to report back to him in mid-October.

If they continue to face obstacles in this area, Mr. Gore indicated that he would use his political muscle to help push them aside, the official said.

How and when the European Union will expand is one of the top issues being confronted during Austria's six-month presidency of the EU. Don't miss the Sponsored Section Austria: Spotlight on EU Enlargement on September 5, 1998

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## Monday

## HEALTH/SCIENCE

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Every Monday in the International Herald Tribune.

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## ASIA/PACIFIC

# Malaysian Reformer Hits Back After Ouster From Cabinet

By Thomas Fuller  
International Herald Tribune

KUALA LUMPUR — Prime Minister Mahathir bin Mohamad personally took control of the economy early Friday, expelling his former deputy from the country's ruling political party and naming himself acting finance minister.

Anwar Ibrahim, who on Wednesday was dismissed by Mr. Mahathir as deputy prime minister and finance minister, was expelled from the party, the United Malays National Organization, on the grounds of "unsuitable character," party officials said.

Outside the party meeting, which lasted four hours, about 1,000 demonstrators chanted "Long live Anwar!" Mr. Anwar, who until this week was the second highest ranking politician in the country, must now wait three years before he can rejoin the party.

On Thursday, Mr. Anwar delivered an impassioned plea for his reinstatement. "I ask for justice and I demand justice," he said at his home here. "If the No. 2 man in this country cannot be satisfied that justice will prevail, I am sorry for Malaysia."

Mr. Anwar's ouster came after a yearlong power struggle between Malaysia's two top

leaders, including disputes over the direction of economic policy.

[The U.S. Treasury secretary, Robert Rubin, said Thursday that Mr. Mahathir's moves were "of concern." Bloomberg News reported.]

"Obviously it is not the path that we think leads itself to economic growth and stability over time," Mr. Rubin said.

There has been speculation that Mr. Anwar could be arrested after an affidavit was filed by the attorney general with the country's High Court on Thursday.

The affidavit included allegations that Mr. Anwar had received money illegally from a friend and supporter during Malaysia's last general election and that he was "used by undesirable elements to threaten national security," according to the country's national press agency, Bernama.

The agency did not elaborate on those allegations, but focused more on charges that Mr. Anwar had "homosexual relationships, sexual liaisons with women of various races and tried to entice people's wives." It went on to detail at least seven alleged incidents of sexual indiscretion, including one "male witness" who said he was "sodomized 15 times by Anwar."

Mr. Anwar emphatically denied the allegations. "This is part of a larger political conspiracy," he

said. "There is no basis in the allegations."

Whether true or not, newspapers and television stations — always under close watch by the government — are likely to give prominence to the story, perhaps ruining Mr. Anwar's career and sapping the support of his Muslim constituents.

Saying he was skeptical but hopeful, Mr. Anwar asked the media "to give at least an opportunity to me to explain and defend my case."

Mr. Anwar's ouster comes just days after Malaysia started what has been described as a radical economic experiment. The country has set a fixed exchange rate for its currency, the ringgit, and has banned any trading of it on international markets.

On Thursday, Malaysia initiated the second part of its plan to resuscitate the country's cash-strapped companies by lowering interest rates by 1.5 percent.

These moves are in sharp contrast to the rescue efforts in place in neighboring countries, such as Indonesia and Thailand, both of which have signed on with the International Monetary Fund to help them out of the regional economic crisis. Led by Mr. Anwar, Malaysia had pursued similar policies to those now in place in Indonesia and Thailand: Credit was kept tight and austerity measures put in place. But earlier this

year, Mr. Mahathir led a campaign to ease interest rates and stimulate the economy through injections of cash.

Mr. Anwar initially opposed the pressure to lower interest rates, but eventually came around to Mr. Mahathir's position.

Before his expulsion from the party, Mr. Anwar said he remained loyal to him. "I do regard him in all sincerity as a father — although not all fathers treat their children very fairly," Mr. Anwar said.

But the former deputy prime minister said he regretted that the "instruments of government" had been used to "harass" him.

With Mr. Anwar's removal, Mr. Mahathir, who is widely respected and admired in Malaysia for having brought prosperity to the country, has consolidated his position in government and taken full control of economic policy.

In the last few months, editors at two top newspapers and officials at the country's central bank — all allies of Mr. Anwar — have resigned or been dismissed. Earlier this year, a close friend of Mr. Mahathir's, Daim Zaiduddin, was brought into the cabinet to act as economic czar, undercutting Mr. Anwar's role as finance minister.

On Thursday, Mr. Anwar urged his supporters to stay calm.



Mr. Anwar, left, with Mr. Mahathir at a ceremony in Kuala Lumpur in June.

"I have urged my friends and supporters to remain calm and respect the law," he said. "even if they choose to arrest me and charge me for whatever crimes that I'm alleged to have committed."

## Fearing 2d Missile Test, Japan Readies Military

Tokyo Expects New North Korean Launching

By Sandra Sugawara  
Washington Post Service

TOKYO — The Japanese military has been placed on heightened alert after receiving reports that North Korea could be close to firing a second missile, possibly as early as Saturday.

"The government has information from various sources that there are preparations under way for a second North Korean missile launch," said Munee Suzuki, a deputy cabinet secretary.

The South Korean news agency Yonhap, quoting unidentified South Korean government sources, said U.S. intelligence satellites and reconnaissance aircraft had identified preparations for a launching.

On Monday, North Korea fired what Japanese authorities have described as a newly developed three-stage ballistic missile, the Taepo Dong-1. The first stage of the rocket landed in the Sea of Japan, the water between the two countries. The second stage and the cone flew over Japan and landed in the Pacific Ocean.

A second launching would be "totally unacceptable," Mr. Suzuki said, and would meet with a "resolute stance" from Japan.

Pyeongyang did not respond to Japanese warnings about a second firing and instead appealed for more international food and medical aid.

A spokesman for the Japanese Defense Agency, Hiromitsu Kuwano, said the military had raised its level of alertness, but he declined to say what actions had been taken. Japanese news organizations said Japan was sending military ships to the Sea of Japan to monitor any possible launching.

The South Korean defense minister, Chon Yong Taek, returning from a visit to Tokyo, said that South Korea and Japan were considering joint military exercises. A combined practice would be the first between the two countries.

The United States is strengthening its presence in the region. The U.S. Air Force's Air Combat Command, based in Langley, Virginia, said Wednesday that it was sending six B-52 bombers and six B-2 Stealth bombers to Guam, although officials said it was only for training purposes. The Associated Press reported.

Japanese authorities have focused on Saturday and Wednesday as possible

dates for a second missile launching. On Saturday, the North Korean legislature will convene and is expected to elect Kim Jong Il as president, said Noriyuki Suzuki, director of Radiopress, a Tokyo-based agency that monitors North Korean media. Mr. Kim is expected to assume the presidency on Wednesday, the 50th anniversary of the proclamation of the Democratic People's Republic of Korea.

The reclusive Mr. Kim has led the nation's 24 million people since the death of his father, Kim Il Sung, in July 1994. Last October, Kim Jong Il was elected general secretary of the ruling Korean Workers' Party. His elevation to president would complete the dynastic succession in the secretive Stalinist nation.

Mr. Suzuki of Radiopress said that if a launching did take place, Wednesday would be the more likely day because North Korean authorities would want more time to see how talks with the United States in New York were proceeding. The two sides were to meet later Thursday. He said it was possible that North Korea would launch a second missile "for domestic purposes" or "technical reasons."

Yonhap also said that the South Korean government did not think Pyongyang would be prepared to launch another missile by Saturday, because liquid fuel had not yet been injected into the missile.

After the initial missile firing, Japan suspended financial assistance for the construction of two nuclear reactors in North Korea, broke off talks to restore diplomatic relations, ended food aid and banned flights between the two countries.

On Wednesday, the official North Korean press agency lashed out at Japan's response, although it did not admit that it had launched a missile.

"We bitterly denounce Japan for making a fuss over a matter that belongs to our sovereignty," the Korean Central News Agency report said.

Several hours later, in an interview with the press agency, a top North Korean agriculture official appealed to the international community for food and medical aid, according to Radiopress. Severe weather this summer had caused crop damage and left "numerous victims," Radiopress quoted the official as saying.



Mohamad (Bob) Hasan (center), a close friend of former President Suharto of Indonesia, being escorted by reporters Thursday in Jakarta after he was questioned about suspected banking irregularities.

## Provocateurs Blamed In Indonesian Rioting

Reuters

LHOKSEUMAWE, Indonesia — Thousands of soldiers kept a tight grip on this town in Aceh Province on Thursday, two days after riots that local people said were instigated by outsiders.

Major roads in the city remained blocked by security forces on Thursday, but some shops reopened. There was no sign of renewed unrest.

Lieutenant Colonel Iskandar, the police commander for North Aceh, said: "A hundred high school students have been detained for questioning. The students said they were asked by unknown men to riot."

One student said that several men were waiting at his school when classes ended on Monday and induced students to riot. "The men told us to riot and threatened to beat us if we refused, so we went along," he said. "There were trucks waiting for us outside our school to transport us to the city center."

A resident said he saw a man handing out money on Tuesday night to five students in the center of the town.

"The riots were not started by the locals," another resident said. "We did not recognize many of the people who were rioting in the city."

The official Antara news agency reported that scores of students who looted and damaged shops were seen climbing down from trucks.

The rioting erupted after a departure ceremony for combat soldiers who were being withdrawn.

Some critics of the army have speculated that the army might have instigated the rioting as a pretext to remain deployed in the province. The withdrawal would have marked an end to a nine-year campaign against separatists.

## Floods Make China Face Bitter Choices

By Erik Eckholm  
New York Times Service

RONGCHENG, China — Xiao Renbai, director of this beleaguered town along the overflowing Yangtze River, stood before an encampment of blue tents inhabited by 800 sorry-looking people who weeks before were told to flee for their lives.

"We protected our dikes for more than 40 days," Mr. Xiao said. "But on the orders of the provincial government, on Aug. 5 we opened the embankment in order to save the city of Wuhan."

Nobody drowned when an earthen dike that held back the swelling river was blasted with dynamite, engulfing the homes of 13,000 people in this one incident. But many people, including Yang Luozhi, her husband, their four children and two grandparents, were left with nothing but the clothes on their backs. They had just two hours' warning, Miss Yang said, before they were carried away by boat through the rising waters.

This stretch of Hubei Province has

suffered some of the worst damage of the summer's floods. Of Jiangxi County's 1.4 million residents, 100,000 saw their homes and nearly all their belongings destroyed.

Thousands, less lucky than Miss Yang, are now crowded into makeshift huts atop the remaining dikes, where they subsist on rations of a half-kilogram (1.1 pounds) of rice and 12 cents a day per person and for drinking must boil the filthy flood water.

And yet in this country, as along much of the Yangtze this summer, the raging river did not by its own power breach a single dike — neither the major dikes, huge earthen mounds that line the Yangtze flood plain, often several kilometers apart, nor the minor dikes jutting into the flood plain to shield farmland reclaimed from mud and marshes.

All the damage in Jiangxi County resulted from government decisions to spread the swelling waters by breaching inner dikes to relieve pressure on the vital main dikes and the provincial capital of Wuhan downstream.

These were not decisions made lightly by authorities in Wuhan, a city of 7 million. But neither were they accepted readily by villagers who lay in the path of the flood diversion. Some tried to block the inundation of their land with an all-night vigil on the dike, while many others had to be forced from their homes, according to local news accounts and other sources.

Events in Jiangxi are emblematic of China's worsening bind as more people crowd into the country's fertile river

valleys. To prevent a repetition of this year's costly disasters, officials now realize, the country must spend billions of dollars it does not have to reinforce dikes, and move millions of farmers who have nowhere else to go out of the low-lying areas that can serve as safety valves for excess waters.

In the meantime, officials will periodically face terrible choices, weighing the value of homes and farms in one place against the risk of catastrophe elsewhere.

In his exhortations this summer, President Jiang Zemin laid out the priorities: first, protect the river's main dikes; second, protect major cities; third, protect human lives.

In Jiangxi County, 17 zones in the flood plain had over the decades been drained, surrounded by dikes and filled with farms, villages, even factories. Since early August, 16 of those areas have been intentionally flooded.

Among the newly homeless here, there is a mood of sullen resignation, if not anger.

"It felt just terrible when they told us we had to leave," said a mother of two in a shaky lean-to of boards and plastic sheeting atop the major dike, who gave her name as Miss Song. "It didn't seem fair."

A noncommissioned officer from a military unit in the area, a Sergeant Chen, said a large part of his unit's job had involved "mobilizing people to leave areas that were about to be inundated."

"Many people were mentally unprepared to leave," he said.

## BRIEFLY

### Producer for CBS Detained in China

BEIJING — Chinese authorities refused to disclose the whereabouts of a CBS television producer on Thursday who was roused from bed, handcuffed and taken from her Beijing apartment by four state security agents on Wednesday.

Natalie Liu, a Chinese citizen who is a permanent resident of the United States, had been working as a freelance associate producer for the American network CBS in Beijing for a year.

Chinese security authorities declined to say why Ms. Liu was being detained. According to a relative, when she was being arrested she asked the agents why, and she was told there was "no use asking." When she asked how long she was going to be held, the police said it depended on her attitude in answering their questions, the relative said.

Most recently, Ms. Liu was working on a light feature about the opera "Turn of Mind" being staged in Beijing. She played an important role in CBS News' coverage of President Bill Clinton's visit to China in June. (WFP)

### Burmese Students End Their Rallies

RANGOON — Thousands of students dispersed early Thursday after staging the biggest demonstration against the Burmese junta in nearly two years.

Foreign diplomats said Wednesday's demonstrations at two Rangoon university campuses ended without incident but that scores of riot policemen remained on alert.

"It's obviously building up again," said one Western diplomat. "There is tension there, and it will only take a small spark to set it all off again."

As many as 4,000 students joined the demonstrations, which came after the opposition National League for Democracy said it would convene the parliament that was elected in 1990 but that the army has never allowed to sit. (AFP)

### For the Record

Taiwan's top official on relations with China has accepted an invitation to visit Beijing next month. Koo Chen-fu, the chairman of the Straits Exchange Foundation, said Thursday that he would resume talks that have been suspended since 1995. He said he expected to meet with his counterpart, Wang Daohan, the chairman of the Association for Relations Across the Taiwan Strait. (Reuters)

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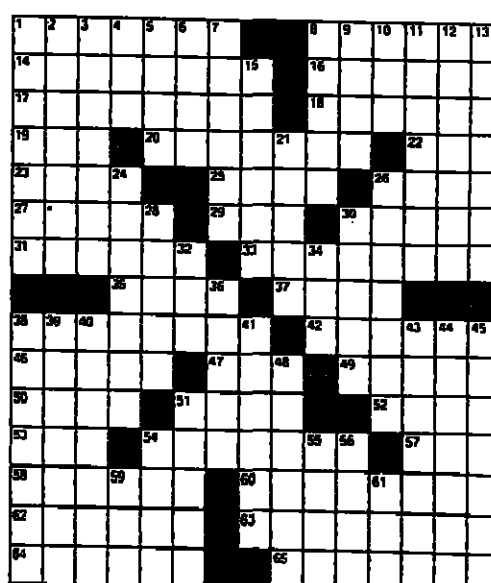
- 1 Tchotchke
- 8 The so-called "Tenth Muse"
- 14 War's mount, in the Apocalypse
- 18 Bright northern star
- 17 Cages
- 18 Congo tributary
- 19 "Give me a break!"
- 20 Cultural prose and poetry
- 22 Words to massuages
- 23 Bugbear
- 25 Dobbin might pull one
- 26 "Me too" response
- 27 Caused
- 29 Some Celtic gods
- 30 Follow the reaper
- 31 Hero/poet of Gaelic legend
- 32 Quiet spots
- 33 Open-fronted jacket
- 37 Like some church matters
- 38 Accumulated
- 42 "You —"
- 46 Reversal of "Fortune" star
- 47 Amprohibition
- 48 Slave's response
- 50 Handle
- 51 Movie princess
- 52 Mass booklet
- 53 Bug
- 54 Slicker
- 57 "Awesome!"
- 58 — of Langerhans (pancreatic parts)
- 60 Building's quality
- 62 Person with a cause
- 63 Registered
- 64 Laurel and Hardy, e.g.
- 65 Recent delivery

## Solution to Puzzle of Sept. 3

ACT GASUP STRAD  
COO AWAKE OHARE  
ICU PAYER OF AGES  
DAGGERS LAMINA  
CHE DATED ELAL  
LOGOS HUSH SYST  
ELUDER ETAS  
BAYERESSENTIALS  
WARP LOAF BEATS  
OVER TWYLA RDA  
SWANERWORLD  
LAKES ANTES IMA  
SLEDS HASNT AER

## DOWN

- 1 Organ effect
- 2 Copout
- 3 Bouncer's requests
- 4 Lady Byng Trophy org.
- 5 Leader of the Gang in 70's-80's music
- 6 Language spoken in Stormovay
- 7 African scourge
- 8 Cousin of the needlefish
- 9 Clergyman's closetful
- 10 Sp. simoleon
- 11 It'll case what ails you
- 12 Snub
- 13 Devout petitions
- 14 Feast of Lots book
- 21 Masking frame, in photography
- 24 Saint (Lore's capital)
- 26 Dynamic beginning?
- 28 Bellefleur author
- 30 "Antra's Dance" composer
- 32 Easter precursor
- 34 Restaurant pickup
- 35 Star post
- 38 Musicologist's concoction
- 39 World's fourth-largest island body of water
- 40 Star Trek alien
- 41 Jefferson and Voltaire, for two
- 43 Contest for El Cordobas
- 44 Scrapped
- 45 Pain-relieving
- 46 Attend, as a movie
- 51 Leans
- 54 Plains Indian
- 55 1953 Pulitzer winner for Drama
- 56 Pratz with second
- 59 Bush or Tall
- 61 The 1900's, e.g. Abbr.



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## EUROPE

## Kohl-Schroeder Face-Off Fails to Ignite Campaign

By John Vinocur  
International Herald Tribune

No Great Debate, the single under-one-roof confrontation of Germany's election campaign, turned out Thursday more like heavily padded sparring than mortal combat, the politics of gesture and ritual an easy winner over ideas or surprise.

Neither Chancellor Helmut Kohl or his Social Democratic challenger, Gerhard Schröder, struck anything like a blow that could turn the course of the vote on Sept. 27. There were no scratches either, nothing in the roughly two and a half hours of talk on the floor of the Bundestag that seemed likely to fester over the last three weeks of the campaign.

Since Mr. Kohl, 68, did not want to go into a studio to debate Mr. Schröder, 54, a master of television's demands on sweat glands and pre-stirred formulations, the closest the candidates could come to a face-to-face meeting was an arrangement to speak one after another in a regularly scheduled morning parliamentary session broadcast throughout Europe.

But for suspense or passion or

elevated content — the Bundestag's assembled members brayed mildly and roared not at all — this was not the day. In a house where democracy sometimes gets a jarring ride, the subject could have been water rates or insurance law.

What emerged instead was an attempt by the chancellor, clearly trailing Mr. Schröder in the polls, to characterize himself as Germany's locus of wisdom and good sense in a world with accelerating troubles nearby, in Russia, and beyond. Mr. Schröder and his potential cabinet allies, Oskar Lafontaine, the hard-left SPD party chairman, and Joschka Fischer, the leader of the Greens, were portrayed by Mr. Kohl as people with whom you would not leave the keys to the house, their amalgamated political careers opposing NATO, German reunification, and aspects of European Union — basically every policy that for the last 16 years he said had brought Germany, under his guidance, respect, comfort and peace.

These were the people who caused "disturbance" of Germany, Mr. Kohl said. How would it be with Mr. Fischer, new suit or not, but

with his old ideas, representing Germany at the United Nations, the chancellor asked. And now, he said, Mr. Lafontaine had shamefully spoken in recent days of taking a "German path" in external policy, enough, Mr. Kohl suggested, to terrify the country's neighbors.

Yet, Mr. Schröder got off easy. In interviews, Mr. Kohl has spoken

everybody who heard it realized you have trouble with the present. If you have trouble with the present you do with the future as well. You are not capable for the future, Mr. Chancellor.

This was the strongest stuff of the exchange, and by the standard of sound bites, where Mr. Schröder excels, was probably the element that could make it seemed he prevailed. "You've lost yourself in the past," he said again, picking up the theme. "You're not able to bring the creative forces of this country together" for the new millennium.

With the exception of the direct form of address to the chancellor, listeners heard essentially re-worked material from Mr. Schröder's campaign repertoire. It had neither steam enough to visibly irritate Mr. Kohl's Christian Democrats or amuse the challenger's own supporters on Parliament's floor. The chancellor interrupted Mr. Schröder once on a technical point concerning wage policy, but he hardly stirred when the challenger questioned his wisdom concerning "his sanna friend Yeltsin."

Both men seemed to do their best

Both men seemed to do their best to stay at a distance from the question of unemployment, currently running at about 10 percent, and the issue that the polls have shown is the essential one in the minds of the electorate.

of him as a "man devoid of content" and without character, but there was none of that on the floor. This time, he barely came under personal attack. In 79 minutes, Mr. Kohl looked vigorous and involved, but there was no new ammunition, no catch phrase, no kick, no new concept meant to turn the tide.

Mr. Schröder's first sentences in reply to the chancellor summed up his approach: "You gave a long speech. It was about the past, and



Chancellor Kohl phoning while Mr. Schröder spoke.

## 'Procedural' Progress in Kosovo Talks

By R. Jeffrey Smith  
Washington Post Service

ROME — The top U.S. negotiator for Kosovo matters has won agreement from the Yugoslav president and the province's ethnic Albanian political leader to postpone discussion of the long-term legal status of Kosovo, essentially bypassing the issue that most sharply divided the two politicians.

The negotiator, Christopher Hill, the U.S. ambassador to Macedonia, said he won support for the idea from Ibrahim Rugova, the head of Kosovo's largest ethnic Albanian party, at a meeting Wednesday in Pristina, capital of the province in Serbia, Yugoslavia's largest republic. Mr. Rugova is a long-standing advocate of resolving the Kosovo conflict peacefully.

Mr. Hill's meeting with Mr. Rugova came one day after a meeting with the Yugoslav president, Slobodan Milosevic, in Belgrade that produced what Mr. Hill called a "procedural breakthrough," namely, a promise that any immediate deal on Kosovo could be re-examined

and amended in three to five years.

Mr. Hill has been trying to broker a cease-fire and interim solution to the Kosovo conflict for three months without concrete progress. Although the agreement achieved this week is a modest step forward, the parties to the conflict remain bitterly divided on most key issues.

Sources close to the ethnic Albanian guerrillas who have been fighting to win Kosovo's independence and who oppose Mr. Rugova's leadership said Thursday that they thought the plan was a mistake.

Mr. Hill's strategy is to try to negotiate an interim deal allowing a degree of self-rule by the ethnic Albanians, who compose 90 percent of Kosovo's population. But other U.S. officials have expressed skepticism that such a deal would be in the interests of the West, because Mr. Milosevic's behavior suggests he will not respect it and the West will have little leverage to enforce compliance.

Mr. Milosevic stripped the ethnic Albanians of partial autonomy in 1989. Since then, he repeatedly has ruled out

independence for Kosovo. But ethnic Albanians there overwhelmingly say they want only independence, and the dispute has provoked six months of violence, caused the death of hundreds of ethnic Albanians and displaced more than 10 percent of the province's 2 million people.

Under the current U.S. plan, "the aim is to deal with other issues" besides independence, such as laying the groundwork for elections in Kosovo and giving the resulting ethnic Albanian leadership local political autonomy for the first time in a decade, a U.S. official said.

## Serbs Attack Villages

Serbian forces pounded villages around the historic southern Kosovo town of Prizren on Thursday in a drive to flush out guerrillas, Reuters reported, quoting ethnic Albanian sources.

"Serbian forces are continuing their attack on villages south of the city of Prizren and detonations can be heard by people within the city," said a spokesman for the ethnic Albanian Kosovo Information Center.

## Chevenement Falls Into a Coma

PARIS — Jean-Pierre Chevenement, the French interior minister, was in a coma Thursday after suffering a heart attack during surgery, officials said.

The minister, 59, who is in charge of the nation's police and security forces, suffered the heart attack during a gallbladder operation Wednesday.

France Info radio reported that Mr. Chevenement had a rare allergy to the anesthesia used during the surgery, causing temporary heart failure.

The government said the deputy minister for overseas territorial affairs, Jean-Jack Queyranne, would temporarily take over Mr. Chevenement's duties. (AP)

## Paris Terrorism Trial Disrupted

EVRY, France — Chaos erupted at France's largest-ever trial of suspected Islamic terrorists Thursday with scuffles in the dock and a walkout by defendants accused of backing armed fundamentalists in Algeria.

Bruno Steinmann, the presiding judge, suspended the hearings against the 138 accused on the third day of the trial, after a key suspect assailed the French judiciary for both the trial and the conditions of detention.

Only two of the 60 lawyers were present along with about 50 of the accused as the hearings opened. (AFP)

## Danish Party to Review EMU

COPENHAGEN — The largest party in Denmark's coalition government may consider scrapping the country's policy of reserving the right to opt out of European monetary union, paving the way for a referendum on joining the single currency, a senior official said.

The deputy chairman of the Social Democrats, Lene Jensen, said the party was prepared to consider the effects on Denmark of Economic and Monetary Union, signaling a readiness to reconsider Denmark's exemption although she said the party did not foresee any change soon in the Danish position.

Mrs. Jensen said the party would evaluate the effects of the euro on the Danish economy, social welfare system and employment when it is introduced by 11 European Union countries next year. She said she did not see any need to abolish the exemption at the moment. (Reuters)

## For the Record

A key suspect in the 1996 murder of Veronica Guerin, an Irish journalist who was investigating drug dealers, was extradited to the Irish Republic from the Netherlands on Thursday. Brian Meehan was extradited on suspicion of having driven the motorcycle from which the killer fired six bullets into Mrs. Guerin's head. (AFP)



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## INTERNATIONAL

# Amnesty International Accuses Taliban of Shiite Slaughter

**Agence France-Presse**  
LONDON—Afghanistan's Taliban forces massacred thousands of members of a religious minority after capturing the city of Mazar-i-Sharif last month, Amnesty International charged Thursday.

The Taliban denied the accusation. Amnesty said its accusation was based on testimony from people who claimed to have been witnesses. It said the victims were Hazara. The Hazara are Shiites in predominantly Sunni Afghanistan.

Amnesty International said: "Taliban guards deliberately and systematically killed thousands of Hazara civilians during the first three days

following their military takeover" of Mazar-i-Sharif on Aug. 8.

"The victims were killed deliberately and arbitrarily in their homes, in the streets, where the bodies were left for several days, or in locations between Mazar-i-Sharif and Hairatan. Many of those killed were civilians, including women, children and the elderly, who were shot trying to flee the city."

Amnesty also said that 10 Iranian diplomats and an Iranian journalist "are said to have been killed when Taliban guards entered the Iranian Consulate in Mazar-i-Sharif." Iran has accused the Taliban of detaining the 11 and has demanded their release.

On Thursday, the Taliban released

five other Iranians captured in Mazar-i-Sharif, including three truck drivers.

Taliban officials accused the Iranian truck drivers of transporting military supplies for the Taliban's enemies.

Wakil Ahmed Mutawakkil, a spokesman for the Taliban, was quoted by the Afghan Islamic Press as saying that Amnesty International's accusation was based on falsehoods given out by the Taliban's opponents. "It is against our religion to kill civilians," he was quoted as saying. Mr. Mutawakkil also denied that the Taliban killed any Iranians in Mazar-i-Sharif.

■ **War Games Called a Warning**  
Big Iranian army maneuvers on the

border with Afghanistan are a warning to the Taliban, military analysts were quoted by Reuters in Dubai as saying on Thursday.

The Taliban's forces, though battle-hardened and in control of 90 percent of Afghan territory, would be no match for the 70,000 Iranian soldiers recently deployed in war games only 60 kilometers (about 40 miles) from the border, the analysts said.

Iranian armor, air support and heavy artillery were used to attack mock targets. The war games were the biggest in northeastern Iran in memory — certainly the biggest since Iran's Islamic revolution of 1979.

Iranian newspapers said Thursday

that most of the units deployed in the war games would remain in the border area. Tensions between Shiite Iran and the Sunni Taliban have heightened since the disappearance of 11 Iranians in Afghanistan.

Terence Taylor, an analyst at the International Institute for Strategic Studies in London, said: "There's a big question as to whether they are still alive, and so things are not going to look good if it comes to light eventually that they have been killed. Things could get nasty along that border."

Taliban officials have described the Iranian war games as threatening and have warned against any escalation of tension along the border.

## BRIEFLY

## Syrian Trade Center Reopened in Iraq

BAGHDAD — Syria reopened its trade center here Thursday after nearly 18 years, in new sign of growing ties between two uneasy neighbors.

An Iraqi trade center is expected to open soon in the Syrian capital, Damascus, under an agreement signed Thursday. No date was set.

Iraq cut ties with Syria in 1981 because of its support of Iran in the 1980-88 Iran-Iraq war. A thaw began after Syria sent a trade delegation to Iraq in May 1997.

On Aug. 20, the two countries agreed to reopen a pipeline for Iraqi crude oil, from Kirkuk in Iraq to a Syrian terminal on the Mediterranean Sea, which was shut 16 years ago.

The reopening first requires formal approval from the UN, which has imposed sanctions on Iraq since 1990, after its invasion of Kuwait.

However, Iraq has said it will not wait for UN permission. (AP)

## 2d Bombing Victim Dies in Cape Town

CAPE TOWN — A second victim of the Aug. 25 bombing of the Planet Hollywood restaurant died in a hospital Thursday, a police spokesman said.

The dead man was identified as Brian Duddy, 55, a banker. Another banker died in the blast and 27 people, including Mr. Duddy, were injured.

The police have ruled out international involvement in the bombing, as was first suspected, saying investigators were convinced it was the work of "local people." (AFP)

## Smoke Blankets Most of Bolivia

SANTA CRUZ DE LA SIERRA, Bolivia — Fires set by farmers to clear forests and grasslands have blanketed two-thirds of Bolivia with smoke, resulting in health warnings, school closings and canceled airline flights.

A thick layer of smoke covered this city of 1 million people situated in the eastern Bolivian lowlands. Several grass fires could be seen from the air. (AP)

## For the Record

A hurricane designated Isis slammed into the Mexican mainland with 125 kph winds and heavy rain, drenching the state of Sinaloa as it headed north along the Gulf of California toward Arizona. (AP)

## Mugabe Hints Victory Is Near In Putting Down Congo Uprising

**The Associated Press**  
DURBAN, South Africa — Zimbabwe, the main military ally of President Laurent Kabila of Congo, all but declared victory Thursday in suppressing an insurrection in Congo, even as the UN secretary-general, Kofi Annan, tried to forge a peace initiative.

Congolese government forces, backed by troops from Zimbabwe, Angola and Namibia, have pushed rebels allegedly supported by Rwanda and Uganda from the capital, Kinshasa, and were knifing eastward into rebel territory in the vast Central African nation.

Rwanda and Uganda deny involvement.

"Had we not intervened," President Robert Mugabe of Zimbabwe said, the government of Mr. Kabila "would have fallen." He was speaking at a summit meeting of the Nonaligned Movement here. "We have now secured Kinshasa and we're quite certain it cannot fall and that the government cannot fall."

Taking the podium minutes later, President Yoweri Museveni of Uganda complained that foreign troops were propping up a government that "has not been elected." Mr. Kabila led a rebellion last year that overthrew the long-time dictator, Mobutu Sese Seko.

For the first time, Mr. Museveni acknowledged that Ugandan troops were in rebel-held territory in eastern Congo. He did not respond to Mr. Kabila's allegations that Ugandan troops were fighting alongside the rebels.

The talks here have led to a shift in South Africa's position on intervention by Angola, Namibia and Zimbabwe.

Previously, President Nelson Mandela of South Africa had sought to promote diplomacy and negotiations to stop the fighting, but Thursday he said it was "reasonable" for outside countries to give the military aid Mr. Kabila had requested.

Mr. Mugabe said at a news conference that all factions involved in the party planned to meet in three days at an as-yet undetermined site. There was no immediate confirmation from other delegations that they would take part in the talks.

The rebels have been notably absent from any of the talks. Mr. Kabila has ruled out a cease-fire, saying Rwandan and Ugandan troops must first leave Congo.

Mr. Annan said that he was "very encouraged" by the peace talks he had held at the meeting with Mr. Kabila, Mr. Mugabe, President Jose Eduardo dos Santos of Angola and Mr. Mandela. Mr. Annan planned to meet later Thursday with the presidents of Rwanda and Uganda.



A police officer restraining supporters of Mr. Anwar's outside a party meeting in Kuala Lumpur on Thursday.

## MALAYSIA: Power Shuffle Hides a Battle Over Image Control

Continued from Page 1

Mr. Anwar's efforts at image control have annoyed Mr. Mahathir, something he has hinted at frequently.

Mr. Anwar's liberal, Western-looking image was sometimes in sharp contrast to the man himself — at least as he is known in Malaysia. In his youth, Mr. Anwar was a champion of radical, occasionally anti-Western, Islamic views.

He entered politics as the head of an Islamic youth organization. In 1979, he visited Iran to meet and congratulate Ayatollah Ruhollah Khomeini on his coming to power. But since his appointment as deputy prime minister in 1995, Mr. Anwar has been portrayed as a liberal thinker and defender of such high-minded notions as civil society and the rebirth of philosophy in Asia.

On Thursday, at a news conference in which Mr. Anwar vowed to rescue his imperiled political career, he conceded that he had perhaps overstepped the line in promoting his views at the expense of Mr. Mahathir's.

Referring to a book of essays he published two years ago titled "The Asian Renaissance," in which he wrote about such issues as press freedom and democracy, Mr. Anwar said Thursday: "That probably was a mistake. I said too much in that book." Filled with references to sources as diverse as Shakespeare, T.S. Eliot and Adam Smith, the book was said to have been largely written by one of his closest advisers.

But perhaps the best or, as it turns out, the worst example of Mr. Anwar's efforts to control his image was a flattering cover story in the Asian edition of Time magazine last October entitled "Anwar and the Future of Asia."

No. 2 is the star of a rising generation of leaders, but will Mahathir give him a chance?" the magazine asked.

On Thursday, following his press conference, Mr. Anwar spotted one of the authors of the Time article while walking through a crowd of photographers and reporters. Pointing his finger at the

reporter, he said half seriously: "The Time magazine article caused it all. You caused it all."

In the article, Mr. Anwar was portrayed as a cosmopolitan leader free from the "hang-ups" of the colonial experience, a direct dig at the older Mr. Mahathir, who was 32 years old when Malaysia became independent from Britain. (Mr. Anwar was 10.) Time described Mr. Anwar as a fan of Western classical music — he "wakes mornings to the strains of Italian opera," the article said — and a reader of Western and Eastern philosophy.



RAID IN TOKYO — Prosecutors raiding the Japanese Defense Ministry on Thursday in a kickback scandal. Prosecutors said they arrested Kenichi Ueno, the deputy head of the ministry's procurement office.

## CRISIS: Bad News From Corporate Japan

Continued from Page 1

In the case of Toa, its board voted Thursday night to liquidate. But that does not mean its plants will be shuttered, eliminating excess capacity in an industry plagued by falling steel prices, falling demand and a vast oversupply of plants.

Instead its operations and many of its employees will be transferred to NKK, which will establish a new group company to run Toa's electric furnace steel plants, which use scrap iron to produce construction materials.

NKK said it would suffer losses from Toa's liquidation of about 60 billion yen.

Last spring, NKK appeared deter-

mined to prop up Toa when it increased its shareholding in the company to 51 percent from 36 percent.

NKK said it finally decided to pull the plug "because of the deteriorating economy which is beyond our expectation."

Analysts point out that NKK itself has been hit by falling steel prices and lower demand.

"NKK is not financially healthy either, and it will be difficult for it to pay all of Toa's debts," said Kazuhiro Harada, an analyst with Nikko Research Center.

The dismal corporate news sent Tokyo stocks lower on Thursday. The benchmark Nikkei Stock Average fell 115.38 points, to 14,261.24.

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THE WORLD'S DAILY NEWSPAPER

## Senate Vote Bodes Ill for Nuclear Treaty

Approval of Funds to Monitor Test Ban Accord Falls Short of Ratification

By Thomas W. Lippman  
Washington Post Service

WASHINGTON — In an early test of support for ratification of the Comprehensive Test Ban Treaty, a Senate vote has indicated that the Clinton administration's highest arms control priority may be well short of the two-thirds majority needed for approval.

The Senate voted, 49 to 44, to approve a \$29 million U.S. contribution next year to the international commission established in Vienna to monitor compliance with the treaty. Although the measure passed, treaty opponents said the opposition of 44 senators to the funding indicates the treaty would not get the 67 votes required for ratification.

"Anything less than 67 votes in support of this amendment will send a strong signal that the Senate is prepared to reject this treaty," the majority leader, Trent Lott, Republican of Mississippi, said before the vote late Tuesday.

The vote adding the \$29 million to the fiscal 1999 foreign aid spending bill generally followed party lines, with most Democrats in favor and most Republicans opposed.

At least one senator who was absent from the vote, the Foreign Relations Committee chairman, Jesse Helms, Republican of North Carolina, has indicated his strong opposition to the test ban treaty.

Some Democrats said that if the treaty were presented for ratification, it would be approved, but Republicans said the funding vote shows that the support for

the agreement is clearly insufficient to win ratification.

The 1996 treaty banning all testing of nuclear weapons, known by the initials CTBT, has been signed by 150 countries and ratified by 20, according to the Arms Control and Disarmament Agency.

The United States, regardless of ratification, has given up its nuclear testing program.

### ■ Anti-Missile Costs Growing

Bradley Graham of The Washington Post reported from Washington:

The air force lieutenant general who oversees the Pentagon's missile defense efforts has warned that some of the weapons systems being developed to guard against missile attack were proving much costlier than expected and could be unaffordable to build.

The general, Lester Lyles, said that defense officials were considering cuts or further delays in the more than half-dozen anti-missile programs under way. He expressed particular concern about the future of the army's troubled Theater High Altitude Area Defense, or THAAD, system.

THAAD is the most advanced of the military's attempts to try to intercept enemy missiles with other missiles.

"When we started all of these missile defense programs, they were done from a valid sense of urgency, but one thing that was not really factored into them was how to try to control costs up front," said General Lyles, who heads the Ballistic Missile Defense Organization.

"Now we're beginning to see that

we're going to have a huge, huge bill in the future for missile defense, and they may not be all affordable," he said.

Any administration move to pare missile defense programs likely would encounter strong opposition from congressional Republicans, who have added millions of dollars in recent years to speed development of such systems. Advocates contend the need for a strong U.S. anti-missile defense has been underscored recently by flight tests in North Korea and Iran of new medium-range missiles and by evidence these countries are pressing to build even longer-range weapons that could threaten the United States.

The Pentagon has been spending nearly \$1 billion annually on developing a national anti-missile system to protect U.S. territory and another \$3 billion or so on battlefield weapons to safeguard U.S. troops abroad.

General Lyles said his remarks were not meant to be interpreted as a request for more money, but rather as a warning that in an era of tighter defense spending and rising costs, affordability must be given greater weight than in the past.

"We have a war, if you will, on cost control for the programs," the general said.

As an example of rising costs, General Lyles cited the next-generation Patriot system, which was designed to knock down short-range missiles at about \$1 million per interceptor but is turning out more than twice as expensive.

In addition, the price of THAAD has shot from \$10 billion in 1992 dollars when the program began to \$14 billion.





# Herald Tribune

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## Clinton Loses Friends

In an elegant turn of phrase, Michael Winde of the Moscow bureau of The New York Times described the Clinton-Yeltsin summit meeting as an event teetering "on the slippery brink of self-parody." The same could be said of Bill Clinton's claim at a Moscow press conference that he had adequately apologized for the Monica Lewinsky affair. That view is not widely held among Democrats in Congress or even within the White House staff, and his comments are a troubling sign that he is still relying on outdated reflexes in dealing with the Lewinsky crisis.

He has always been good at rallying himself and his followers against powerful external enemies, be they health care profiteers, talkative mistresses or right-wing conspirators. By conjuring such plotters, he was always able to assume the mantle of aggrieved and slip into his favorite campaign persona, that of the resurgent victim.

This personal archetype had a name, the Comeback Kid. But when Mr. Clinton invokes that image these days, as he did in his universally panned semi-confession, he skids toward self-parody. That is because he is seen these days as the victim of his own bad judgment and indiscipline, rather than as the victim of his rhetorical rogues' gallery.

As he resumes his White House schedule, the president has a problem more serious than the condemnation of Senate Majority Leader Trent Lott and the defection of House Minority Leader Dick Gephardt. He is a politician whose most loyal supporters have fallen silent. He is the leader of a party whose high-risk congressional candidates often decline to defend him in public and then bash him in off-the-record conversations. This president's first problem is not winning over his enemies. It is winning back his friends.

Recent pieces by George Stephanopoulos in Newsweek and Dee Dee Myers in Time have traced disaffection among loyalists. It may be the stronger and more pervasive because Mr. Clinton's followers placed such low demands on him. The glue that bound his

supporters to him was the same as that which seemed to bind his marriage: a belief in common values and policy goals. Under the terms of their pragmatic contract, lapses were forgiven and mendacity about them excused as a political necessity. All that was required of Mr. Clinton was that he not gamble with the common policy enterprise through compulsive adventurism.

He not only broke the contract with his staff and supporters. By then attempting to blame Independent Counsel Kenneth Starr for his troubles, Mr. Clinton parodied his trademark blame game. Mr. Starr did not clear Monica Lewinsky into the White House on 37 occasions. Neither did Mr. Starr close the door to the Oval Office study. Those were the acts of a president out of control and in the betrayal mode when it came to the work and dreams that his supporters had entrusted to him.

While Mr. Clinton has conducted his exercise in diplomacy-on-autopilot, at home disappointment has taken deep root among his followers. There is, as always, a gap between grassroots and elite opinion. The public is tired of the Lewinsky story. The Democratic professionals are tired of Mr. Clinton and jumpy about what will be in Mr. Starr's report to Congress.

So as he turns to the task of winning back his own party, Mr. Clinton faces a problem common to all caught liars. The words that availed in prior crises are no longer believable. A speech in the voice of the resurgent victim will flop into overt self-parody. Mr. Clinton's best hope is to throw away the blame script and switch to contrition. But can he?

It is a problem contemplated by a distinguished citizen of Mr. Clinton's home region. William Faulkner believed that the most riveting of human dramas was "the human heart in conflict with itself." As this vacation ends and the nation turns to the work that September always brings, what was true in Yoknapatawpha County will be true at the White House as well.

—THE NEW YORK TIMES

## Food for the Cubans

Imagine the worst of Fidel Castro — that he would consign hundreds of thousands of his citizens to hunger in order to embarrass the United States for its hard-line policy on Cuba. In those circumstances, would the United States not be obliged by moral duty as well as political advantage to bend its restrictions on emergency food aid to Havana in order to save Cuban lives?

A situation resembling this one is at this moment taking shape. Mismanagement aggravated by drought has led the Castro regime to ask the United Nations for food aid in the eastern provinces. The UN World Food Program is responding. Some Clinton officials are inclined to pitch in. But some anti-Castro Cuban-American groups and their Republican supporters in Congress fear that UN food would end up being controlled by the government and used for its own political gains.

No doubt Fidel Castro would exploit food and medicine shipments. He would use them to advertise his international political reach and his capacity to care for Cubans in distress. So let him try. Food aid will not create or strengthen any real Cuban threat to the United States and the hemisphere. It will ease malnutrition and suffering. No matter what Mr. Castro said, American participation would advertise concern for the Cuban people. For the United States, squeezing Mr. Castro on aid only hands the Cuban dictator a propaganda stick with which to beat Washington. Not for the first time.

The whole continuing Cuban-U.S. confrontation represents a Cold War anomaly. Do you believe that a bit more isolation and embargo will pry Mr. Castro out of power? The policy has been tested and found wanting for his 40 years of power. Increments of engagement provide an alternative possibility to bring democratic change to the Cuban people. "The world," said Pope John Paul after his visit to Cuba earlier this year, should "open up to Cuba." Tying political strings on food aid does the reverse.

—THE WASHINGTON POST

## Remembering Ruth

It is Mark McGwire and Sammy Sosa who seem likely to hit more home runs than anyone in major league history this year. It is Roger Maris whose record of 61 in a season is threatened. So why is Babe Ruth still so much with us this summer? Mostly it is because the story of his 60 home runs is too good to let go of, and so are the voices of the old men who tell it.

Imagine what it must have been like to get to Chicago or St. Louis or New York for the first time and see a Ruth in the flesh — one sighting, maybe your last ever. You can understand how hard a person might work his memory to keep that day alive.

Sports Illustrated magazine talked this year with some who remember. One was Paul Hopkins, 93, who threw his first pitches in the major leagues to Babe Ruth in late September 1927 and saw one go over the right field wall for his 59th homer in that 60-home-run season. "A beautiful curve," Mr. Hopkins recalled. "Ruth started to swing and then hesitated, hitched on it and brought the bat back. And then he swung, breaking his wrists as he came

through it. What a great eye he had! ... I can still hear the crack of the bat. I can still see the swing."

"His eyes were big," recalled Willis Hudlin, 92, who pitched the ball that went for home run No. 51 that year. "He had jack-o-lantern eyes, and he'd hold that bat and look at you and put the chill in you."

"He made home run hitting look easy," said Shirley Povich of The Washington Post, who talked with Sports Illustrated a few months before his death. "There was no violence in the stroke. He put everything into it, but he never looked like he was exerting himself. ... I can close my eyes and not only still see the swing but still admire it."

Mark McGwire and Sammy Sosa are having a season, witnessed by millions more than ever saw Ruth, their every motion electronically recorded. What they should hope for, though, is that in the year 2070 there will still be a few people around who can close their eyes and bring it all back better than videotape.

—THE WASHINGTON POST

## Bet on Islam of the Rivers Over Islam of the Desert

By Gaber Asfour

CAIRO — The struggle to keep our traditions open in the face of fundamentalist fervor should be seen as an internal matter. This is a clash of one interpretation of Islam versus another.

Just as it has always been, the clash we see today is between the tolerant peoples of the "Islam of the rivers," such as flourished in the Nile delta, and the intolerance of the "Islam of the desert," which has produced the likes of Osama bin Laden, the multimillionaire son of the Saudi Arabian construction magnate.

The desert culture is opposed to the culture of the Nile as well as to the pluralistic, baggish life of the *hazra* urban alleyway bazaars. It is fanatic. It does not respect diversity of ideas and opinions. It believes that people must have one creed, only one interpretation of religion.

The "other" is hated, always an enemy. Western civilization in particular is distrusted as the modern incarnation of evil. Equality between women and men is not observed in the desert, where women are regarded as a source of temptation and evil. The long gowns of the men, and, of course, the beard, are signs of the desert.

In Islam there have always been two trends: the tolerant "trend of the mind"

associated with the river cultures of Egypt, Syria and Iraq, and the intolerant "trend of transmission" associated with the harsh desert. Loosely translated, "trend of transmission" means liberal belief in the text of the Koran as God's infallibly transmitted Word.

In periods of flourishing civilization, the tolerant trend prevailed. In times of defeat, the intolerant trend prevailed. Intolerant fundamentalism began to grow in the Arab world in the humiliating aftermath of the defeat of the Egyptian army by Israel in 1967. The crisis of identity this caused in Egypt was paralleled by the tremendous explosion of wealth in the Arab oil-producing countries. This provided the Islam of the desert with money.

With money, it is possible to force your culture upon others. Well-fortified, desert-based Islam stepped into the vacuum of Egyptian defeat.

Thus, unofficial sources of funds from the Gulf countries, especially from Osama bin Laden, have played a critical role in exporting desert-brand fundamentalism to Egypt.

The Egyptian Ministry of Culture has tried to resist by, among other

methods, publishing a series called "The Books of Enlightenment." But we lack the kind of financial resources that Mr. bin Laden can command; his books are cheap and more widely distributed than ours. When he was living in Sudan, he decided to supplement this activity by strengthening terrorist activities all over the world.

The strongest fundamentalist movement in Egypt today is the Muslim Brotherhood. Founded by Hassan Banna, it started in the Suez Canal area during the period of upheaval against British rule. They mixed the ideas of liberation from colonialism with return to "pure Islam."

Hassan Banna was deeply influenced by the ideas of one of the famous Hanbali scholars, Bin Tanweer, a man of the desert. "Late Hanbali Islam" emerged during the Crusades when Muslims were fighting the invasion from Europe and had to go to ideological extremes to survive. The religious ideas of Bin Tanweer are the basis upon which the Saudi creed was built. Those ideas became the pillars of the state in Saudi Arabia.

At first, the Muslim Brothers remained tolerant because of the Egyptian context. But as time went on, the rise of Gamal Abdel Nasser and the

new Arab nationalism in 1952 created a reaction from the desert.

The Saudi monarchy wanted to destroy the influence of Nasser. In this we saw the beginning of Egypt's struggle with fundamentalism. After Nasser's defeat in 1967 and the destruction of Arab nationalism, the desert Muslims offered their ideology with the slogan "Islam Is the Solution."

Their great hope has been that a return to strict Islam would provide the strength for a final victory over Zionism and Israel.

Today the Nile culture is endangered by the encroaching desert. To reassert the Nile sensibility, we are emphasizing cultural education focused on the Egyptian ideas of tolerance and respect for difference.

We will need time to turn back a tide that has been gathering popular momentum for more than 20 years. It won't be easy. But if our long history is any guide, the Nile will nourish tolerant Islam once again.

Gaber Asfour is secretary-general of Egypt's Supreme Council of Culture. This comment, adapted from a conversation with Leila Conners of New Perspectives Quarterly, was distributed by the Los Angeles Times Syndicate.

## Two Wounded Presidents, When Leadership Is Urgent

By Flora Lewis

PARIS — Two wounded presidents met this week in Moscow. They could accomplish little beyond avoiding the embarrassment that each would have felt at calling off their long-planned summit.

It is a pity. There are urgent issues to be addressed between Russia and the United States that are not getting resolved at lower levels of authority.

Nuclear arms control is at the top of the list. The START-2 treaty, which would halve each side's long-range missile warheads and clear the way for negotiating further needed reductions, was signed by President George Bush before he left office. Ratification was then stalled in Washington for three years as hostage to Senator Jesse Helms's intransigent feud with the State Department. By the time the Senate acted, Russia's Duma was in no mood to listen to President Boris Yeltsin.

There is little hope, now that the Duma is doing all it can to cut down Mr. Yeltsin and his

retread prime minister, Viktor Chernomyrdin, peremptorily fired only four months ago. Both Mr. Yeltsin and President Bill Clinton would like to divert attention to such major issues, but both are mired in domestic affairs over which they have lost normal control.

One is mired in tragedy as the Russian economy and society decompose, the other in farce. Neither one remains a fully effective leader.

The American system, with its well-tested checks and balances, makes it somewhat easier for a hamstrung president to continue to function, and America is still prospering while much of the world craves into depression that could drag the industrial West down, too.

But Russia is in grave crisis. It is a mistake to consider its marginal share in the world economy as reason to brush aside its woes, and not only because of its missile power. It

remains a vast, important country with huge potential, and it needs to be a more integral part of the world community if the post-Cold War period is not to slide into new disasters.

Perhaps too much was made of the role of leaders and their personal relations during the long years of trying to manage confrontation. Modern media magnify individuals at the peak, so that their weakness seems to undermine a whole nation.

But decisions do have to be made in dealing with assorted threats around the globe — Iraq, Central Africa, Bosnia, Kosovo, North Korea — and they aren't made when presidents are distracted or paralyzed.

Fortunately, there is a consensus among the Western powers to continue trying to help Russia find its way out of the badly bungled transition from a communist economy to the market. But there is a dilemma. Much of the aid so far has been

wasted or stolen, so there is a reasonable demand that further contributions must have strings of conditionality attached.

The standard IMF conditions of slashing the budget, tightening the currency, privatizing the economy (which has not undercut monopolies, only shifted control to greedy financiers) are inappropriate or have not worked, however. More of the same will produce more of the same — accumulating disaster.

The Communist leader, Genadi Zyuganov, was right to say that the renominated prime minister offered no coherent program or useful policies. That was the reason the Communists gave for voting against Mr. Chernomyrdin, although their real motive was evidently to enforce a deal stripping Mr. Yeltsin of most of his power.

There needs to be a much more careful analysis of the kinds of reform that Western aid seeks to promote, with an understanding that monetary maneuvers are not at the heart of

the problem, which is to get people back to work and to earning purchasing power.

The West cannot interfere in the leadership issue, just as America would not tolerate foreign interference in Mr. Clinton's travail. But it cannot avoid interfering on programmatic issues if it is to keep providing credit. To cut off aid would also be a form of interference.

It is something of an irony that at the end of a century whose worst problems were caused by autocratic and dictatorial leaders, weakness at the top is the problem now for these two countries. Both Mr. Clinton and Mr. Yeltsin face recalcitrant, hostile legislatures, and legislatures are inherently poor at statesmanship.

The names of the leaders don't matter all that much, but the capacity to make and carry out reasoned policies does matter. America must do what it can to get Russia and itself out of their paralyzing binds.

Flora Lewis

## But Why Insist on Painful Reform if the Russians Don't Want It?

By Charles Krauthammer

WASHINGTON — Why is America playing doctor to Russia? What is Bill Clinton doing over there in the middle of an economic collapse urging Russians to endure even more bitter economic medicine?

Seven years ago, the U.S. policy of urging unbending capitalist reform made sense. We didn't know where Russia was going. It was still possible that it would turn from a communist enemy into a strong, free market, democratic partner.

We now know that this is not going to happen. Russia has turned into something rather different. It is a democracy in

form, having elected a president and a Duma, but for seven years it has been decidedly authoritarian. Almost all power has been vested in a president who routinely ignored the Duma and ruled by decree.

Seven years have produced not a free market but what Grigori Yavlinsky, one of the country's leading democrats, calls "a corporatist and criminalized sort of capitalism." An oligarchy of barons, having in effect stolen a huge part of the Soviet patrimony, rule and rob the country, sometimes with

and sometimes without the acquiescence of Boris Yeltsin's people, while the general economy sinks into oblivion.

Mr. Clinton flies into this swamp and what does he do? He urges Russians to stay the course — to endure more pain because "I do not believe there are any painless solutions." To pay their taxes — to a kleptocracy understandably unable to collect any. To repay their foreign creditors, in a country where schoolteachers and coal miners and soldiers have gone unpaid for months.

This may be sound economic advice. But why should Americans be giving it? The short-term effects will be devastating for ordinary Russians. Why should an American president invite blame for inflicting the kind of pain that Mr. Yeltsin himself, let alone the Duma, does not dare advocate?

And why should Americans be more interested in the success of Russian capitalism than the Russians themselves? By electing a Duma that is overwhelmingly anti-reform, the Russians are saying something. They don't want to go the way Mr. Clinton has advocated, a fact that even Mr. Yeltsin recognized when he fired his reformers.

If Russia wants to renege on its debt, default on foreign loans and return to some kind of semi-command economy, why should America stand in the way? The result will be a weak, declining Russia. In the long run and in the coldest geopolitical terms, this is not a bad outcome for America.

If the Russians choose the easier path — a government-controlled and subsidized economy that recalls once common Latin American-style autocracy and stagnation — that is their choice. It will produce a feeble Russia less able to rebuild its military, threaten its enemies and challenge the United States.

Loose nukes? One really does not want a country with 7,000 nuclear warheads in collapse and disarray.

True, but collapse and disarray are going on now. The anger in the streets and anarchy in the air are a direct result of the failure of the very reforms that Americans are urging and the Russian people are resisting.

There is today no government in Russia. The Duma is so opposed to Mr. Yeltsin's program that it will not even approve his nominee for prime minister. His authority is so diminished that he dares no longer to rule by fiat. He will in the end have to acquiesce to some form of government of national unity that includes Communists and other anti-reform elements.

Ironically, such a government will be more democratic — more representative, more reflective of the popular feeling, less in need of decree — than the one Russia has now. It will command more legitimacy and popular support. Its actions will be less likely to produce the kind of anarchy and breakdown that the loose nuke crowd so fears.

This is not, of course, the optimal outcome. The best would be a strong, growing, democratic Russian ally. But that is by now a fantasy.

If the Russians want to choose the gradual decline that comes with more state control, why say "no"? Why go to Russia and advocate surgery without anesthesia? If they are going to suffer, and they surely are, let it be by a means of their choosing.

Washington Post Writers Group

## Default Looms in Ailing Pakistan

By James Clad

WASHINGTON — Muslims rightly felt shut out of the various Congress Party state governments created under the 1935 British system of elected self-rule. But many recognized, even before the dreadful toll of massacres in Punjab and Bengal when partition finally occurred, that the "vivisection of British India," as one account put it, might go horribly wrong, entrenching hostility for generations. They were right.

Pakistan's dilemma today arises from its chronic search for security against the larger Indian neighbor, a quest taking on a special urgency after the 1971 loss of East Pakistan, today's Bangladesh.

The religious rationale no longer seems so clear. Indeed, India's 120 million Muslims are almost as numerous as those in Pakistan.

Three wars, two of which erupted in the disputed state of Jammu and Kashmir, have entrenched clever, self-interested security bureaucracies in both countries. India's oft-derided "indigenization" drive, whether in atomic energy or in aerospace technology, has yielded a vast, government-funded structure of basic research and production, but Pakistan had to build a scientific establishment on the cheap.

Pakistan's nuclear development program always has had a snatch-and-grab quality to it — one reason why Western intelligence agencies know more about Pakistani nuclear capability than about India's.

But the terrible dilemma over testing — India's explosions in May forced Pakistan

Prime Minister Nawaz Sharif's hand — is only part of the problem. (The Japanese promised to shift their entire aid program from India to Pakistan if Mr. Sharif chose not to test.) Indeed, Pakistan's problems have now become cumulative debt-servicing default looms nearer.

The country is suffering from what seems an insoluble malaise — the inability to consolidate a democratic order, an inability to sustain Pakistan's founding fervor, an impatience in its rapidly burgeoning and young but too often illiterate population for material gains.

At one level, Pakistan lacks for little. Take its energy resources, especially natural gas. Properly harnessed and linked to Indian markets, these could power the Western subcontinent. Hydroelectric potential has also been staring energy planners in the face for 50 years. Meanwhile, Pakistan's human talent remains superb, as anyone in the West who deals with the country knows very well.

At another level, Pakistan lacks a great deal. Where, as in India's southern state of Kerala, can one find female literacy rates of 96 percent or more? Or even a quarter of that? Pakistan's Western admirers find it hard to square that human talent with a tea-saucer retention of feudal attitudes toward women.

The Clinton administration's description of Pakistan several years ago as a "mod-

erate Islamic democracy" sounded strange. It seems stranger now, with the risk of foreign debt default rising sharply since the suspension of multilateral aid in the wake of the nuclear tests.

The immediate pressure is acute, with reportedly less than three weeks' import cover, and reserves insufficient to cover the estimated \$1.7 billion owed over the next eight weeks to foreign commercial banks and to the World Bank and the IMF.

Just as we have discovered in the East Asian crisis, Pakistan's basic problems are political in nature. Pakistani friends tell me that their country just has not managed to make the leap to modernity. They say that their land remains little more than a patchwork of intensely regional feuds, in which a shared Islam means little or nothing.

They say the only national unity comes in the guise of grievance, whether from the "unfinished business of 1947" (code words for India's occupation of much of Kashmir) or from perceived abandonment by America since the end of the Cold War. In grievance, alas, their shared Islam does provide a common rhetoric.

Commenting on Pakistan's nuclear detonation in May, Mr. Sharif said that the next 50 years "would be different for Pakistan." The immediate signs do not support his optimism.

The writer, a professor of Asian studies at Georgetown University, contributed this to the Los Angeles Times.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1898: Dreyfus Affair

PARIS — The Dreyfus affair produced yet another sensation — M. Cavaignac, Minister of War, has resigned. M. Bourgeois made known his view, which conforms to that of the President of the Council. He was of the opinion that in the actual position of things, the revision of the Dreyfus trial has become a necessity. This does not presuppose the guilt or innocence of Dreyfus. M. Cavaignac signified that under no circumstances would he proceed with a revision of the Dreyfus trial, and that if the Council of Ministers decided on it, he should resign.

### 1923: Japan Quake

SAN FRANCISCO — The disaster suffered in the earthquake, which destroyed Tokyo, Yokohama and other cities, now assumes incredible proportions. The latest estimate of the dead

is 250,000. The newspaper "Mainichi" says that the progress of Japan has been thrown back for a generation and that she has lost her position as a great Power because the country had no financial reserves and all the largest companies have been ruined.

### 1948: Benes Dies at 64

PRAGUE — Former President Dr. Eduard Benes of Czechoslovakia, sixty-four, one of the founders of the Czechoslovak Republic in 1918, died. Czechs who were gathered in Wenceslaus Square to discuss the death of Dr. Benes seized two members of the secret police who had mingled in the crowd and attempted to arrest a man and a woman who were praising Dr. Benes and assailing the present government. Opponents of the regime will use every opportunity in the next few days to demonstrate their feelings.

## Herald Tribune

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## OPINION/LETTERS

U.S. Should Quit Bluffing  
If It Can't Oust Saddam

By George F. Will

WASHINGTON — "Maybe Madeleine is the realistic one here," says Scott Ritter. "Maybe she says, 'We're not up to the task.'"

What Secretary of State Madeleine Albright seems to have said, sotto voce, to the United Nations is that the United States wants UN inspectors in Iraq not to conduct the most aggressive and important inspections of facilities pertaining to weapons of mass destruction. Why provoke Saddam Hussein to call the U.S. bluff when Mrs. Albright knows the United States has been bluffing when threatening severe consequences for an obstructionist Iraq?

Mr. Ritter, speaking by telephone from New York about his resignation from the ranks of UN inspectors, says essentially this: Discretion, which may be a polite characterization of Mrs. Albright's policy, might be right in the absence of valor, or of any other alternatives.

Mr. Ritter, 37, was until last week the most senior American, in terms of responsibilities and length of service, on the UN team toiling to eliminate Iraq's weapons of mass destruction. He resigned rather than continue to lend his considerable credibility to the charade that the inspection process has been reduced to.

This reduction is a result of the secret U.S. policy of discouraging surprise inspections that might provoke a crisis.

Realists understand that arms control usually is impossible until it is unimportant. That is, arms control controls almost nothing, and is itself a process of competition, until adversaries stop competing. The collapse of U.S. policy toward Iraq demonstrates that the UN arms control policy there always depended on something nonexistent: a credible military threat to Saddam's survival.

Regarding Iraq, arms control must mean regime removal or it will mean nothing. If Saddam cannot be toppled, we Americans should shut up rather than continue to squander U.S. credibility and contribute to the cynicism of the American public. Mr. Ritter rightly says that the illusion of arms control is worse than having no arms control "process."

Mr. Ritter says that in Iraq "the people who protect the weapons

are the people who protect the president." If he is right, "enforcement" of the original UN mandate of eliminating those weapons must mean eliminating the man.

Mr. Ritter says his Gulf War experience in "counter-Saudi" operations — trying to eliminate Iraq's missiles — left him with no illusions about the feasibility of dismantling Iraq solely by means of air strikes. If he is right about that, then conceivably attacking the barracks and command-and-control facilities of the presidential security apparatus might produce a coup against Saddam.

Even if such a scenario is plausible, a prerequisite for implementing a muscular policy is a serious U.S. president, one who can convince the country because he has beliefs and is believable.

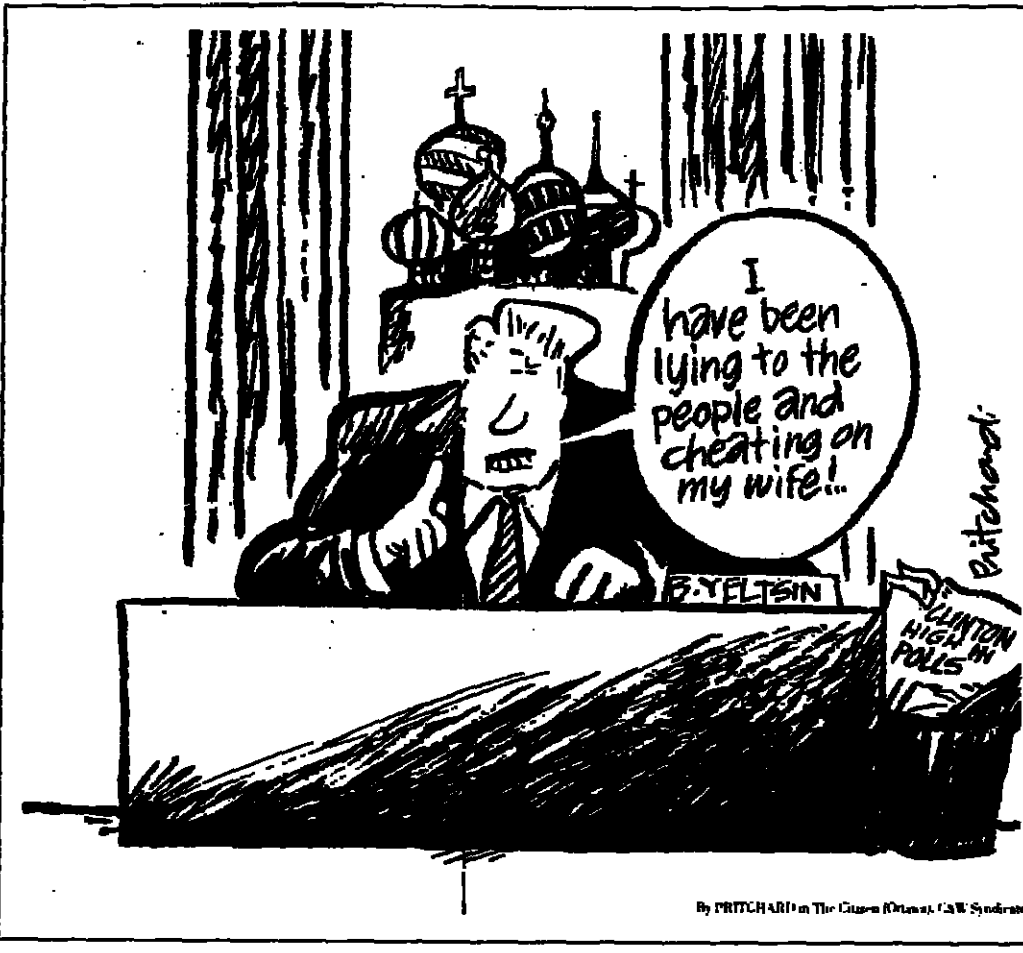
Obviously such a policy is currently impossible. On television recently, Governor Roy Romo of Colorado, the Democrats' national chairman, likened the American public to airline passengers who are indifferent to the pilot's "personal life" because he is giving them a safe flight through a storm.

But Iraq is enacting all impediments to its development of weapons of mass destruction; satellites are beaming back pictures of North Korea's new nuclear facilities that make a mockery of the 1994 accord that supposedly neutralized the threat; North Korea is expressing its contempt for the United States and its allies by launching a missile across Japan, and the stock market is turbulent.

Conceivably, American passengers are becoming queasy. They may soon rethink the question of whether it is a purely "personal" matter that the pilot is an adolescent liar who parties in the cockpit with the flight attendants. Is his personal character altogether irrelevant to the question of whether they will enjoy a safe landing?

Four congressional committees are interested in hearing from Mr. Ritter. The importance of the policy disarray that his resignation protests, and the rarity in American public life of resignation on a point of principle, will render his testimony riveting. But, then, the mere sighting of such an adult in Bill Clinton's Washington would be newsworthy.

Washington Post Writers Group



## LETTER TO THE EDITOR

## Help Russia Now

Regarding "The Best Russia Policy Now Is Hands Off" (Opinion, Aug. 31) by Richard Pipes:

It would seem from his article that Mr. Pipes has neither run a business nor been a lender to one. The worst thing the international community could do now would be to adopt a wait-and-see attitude toward Russia's crisis.

I find it difficult to imagine that the West's aims will be best served by allowing Boris Yeltsin's government to be replaced by a "coalition government," with Communist ministers in minor posts, as Mr. Pipes recommends.

Would this magically wipe away Russia's unpaid debts? Would Russia no longer need external investment to provide for jobs, shelter and food? Would the new government be any more able to adopt sweeping economic policies? I think not.

Russians already know that the crisis is of their own doing, and an American "hands off" policy is not needed to force their acknowl-

edgment. Such a recommendation is wrongheaded, vindictive and not constructive.

It is reminiscent of the old farm bank policy of pulling short-term credit lines. A farmer could not buy new seed to plant a harvest and was thus forced to declare bankruptcy. The bank then liquidated the farmer's assets and no one got paid.

Russians did not force American retirement fund managers to buy Russian debt in search of yields unavailable in the West, nor did they ask George Soros to take untenable positions on their currency. These are losses that should be assumed by adults who were fully informed of the potential risks.

What Russia is attempting is a massive, perhaps unprecedented, restructuring of a political and economic system. Seven years is not a long time given such an undertaking.

While the blind infusion of new money is not the answer, neither is holding the Russian economy hostage to International Monetary Fund prescriptions that are so

sweeping as to be almost laughable as preconditions to a disbursement.

What is required: an immediate restructuring of short-term obligations to be undertaken by a U.S.-European financial coalition; an institutionalized tax collection system implemented methodically and not based on jackbooted thugs raiding offices; and the revamping of the banking sector with a view toward closing the slush-fund banks of the "oligarchs."

It hardly seems fair to proclaim pious indignation toward Russian debt policies when the credit the West extended made possible U.S. wheat sales and the export of European machinery and Asian consumer goods.

Russia is an important market that we must engage constructively, as responsible lenders. We must stop waiting on the sidelines for the Russians to, as Mr. Pipes puts it, "merit further assistance." They already do.

MAURICE JOHNSON,  
FrankfurtThe Kindness of a Stranger  
Who Didn't Leave a Name

By Eileen McNamara

BOSTON — He was of medium height and medium weight. His hair was a medium shade of brown. It's not a lot to go on, but Kimberly Ripley intends to find the Massachusetts man who helped save her children's lives.

Exactly a month ago a trucker sideswiped Ms. Ripley's car on Interstate 95 near the Virginia-North Carolina border. The impact

forced her tiny car off the road and into the woods. The car rolled over twice before slamming into a pine tree and coming to rest on its roof.

Ms. Ripley was battered and bruised but managed to free herself from the wreckage. Her three children — Elizabeth, 9, Ricky, 7, and Andrew, 1 — were trapped in the back seat.

Her daughter was unconscious. Her first grader's leg was broken. Her baby was hysterical. The trucker and his 18-wheeler were long gone.

Kimberly Ripley was near hysteria herself when, seemingly out of nowhere, a stranger's hands reached through the shattered rear window and eased first Ricky, then Elizabeth and finally Andrew out of the car and onto the grass a safe distance from the smoking, twisted metal.

The man who rescued Kimberly Ripley's children from the burning car identified himself as an emergency medical technician from Massachusetts. He had been driving directly behind her. Just before the crash, he had called police from his car phone to report the trucker's erratic driving. If he told her his name it did not register in the confusion at the crash scene.

She watched him find a board on the side of the highway and use it to set her son's leg. She saw him wave down passersby to solicit blankets, ice, towels, whatever makeshift aids he could use to stabilize her injured children. By the time Ed Miraglia, a nurse from Bowie, Maryland, pulled over to help, the man from Massachusetts had the situation well in hand.

With the kids out of the car, the severity of the accident became starkly apparent to Kimberly Ripley. The spare tire had been pushed into the back seat; the jack had been thrown into the front passenger seat. The infant car seat

that had held Andrew had crumpled like paper.

"Andrew only had burns from the straps of his car seat and some scratches. It's miraculous that he, that all of us, weren't killed," says Ms. Ripley, who passed out when she saw the extent of the damage and how close her family had come to tragedy.

When she regained consciousness at Halifax Hospital, the medical technician from Massachusetts was at her bedside. He told her that it had taken the ambulances about 45 minutes to arrive but that her two youngest children had remained remarkably calm.

Elizabeth was the most severely injured. The head trauma that had knocked her out during the rollover kept her in the intensive care unit for four days and hospitalized for many more after that. She remains under the care of a team of doctors.

"I was sobbing 'I almost killed us all. I almost killed my family,' and this man kept consoling me, telling me that it was not my fault, that I had not caused the accident, that the truck driver was the one responsible," Ms. Ripley recalls. It was not until she stopped crying that she noticed that the man she calls "my hero" was holding new toys, a stuffed white kitten for her little girl and some toy soldiers for her boys.

"I remember he told me that he went to Wal-Mart after the ambulances took us away and then he came to the hospital to check on us. He bought toys to try to cheer up my children. Can you imagine? And I don't even know his name."

The North Carolina Highway Patrol is still looking for the driver of the tractor-trailer who hit the Ripley family. Kim Ripley hopes the police find him but, for her part, she is looking for the man from Massachusetts.

The anonymity of the stranger who stops to help an injured man on the roadside is a crucial element of the biblical story of the Good Samaritan. There is virtue in doing good without any expectation of acknowledgment or reward.

In this story, however, the stranger from Massachusetts could perform one more act of kindness for the Ripley family by raising his hand.

The Boston Globe

## BOOKS

THE PROFESSOR AND THE  
MADMANBy Simon Winchester. 242 pages.  
\$22. HarperCollins.

Reviewed by Mark Rozzo

IN 1879, James Murray, an expert on the dialects of his native Scotland and the recently appointed editor of "The New Dictionary on Historical Principles," called for volunteers from Britain, America and the Colonies to help create the first complete dictionary of the English language. One of the many armchair lexicographers who responded to Murray's appeal was W. C. Minor, an American physician living near London, at Broadmoor, Crowthorne.

Minor would go on to astonish the dictionary's staff by sending in more than 10,000 quotations culled from some of the least-read books in the language. Meanwhile, "The New Dictionary on Historical Principles" outgrew its original four-volume design, spreading out over 50 years (not counting the fruitless 20 that preceded Murray's editorship) and into the 12 slab-like volumes we now recognize as "The Oxford English Dictionary."

The unlikely relationship between the tireless Scottish editor and his reclusive American physician became the focus of Simon Winchester's "The Professor and the Madman," a book that is as fun as it is frustrating, though one suspects it should be neither.

The "madman" in the title is Minor, who, as Murray discovered after years of correspondence, was an inmate of the Asylum for the Criminally Insane at Broadmoor. Murray had envisioned the mysterious doctor as a lettered man of leisure; by the time the two finally met in

1896, Minor had been incarcerated for 24 years, having spent most of that time combing through rare editions in his comfortably appointed suite.

The Yale-educated Minor came to London from New Haven in 1871, after a breakdown forced his retirement from the U.S. Army. He had been a surgeon in the Civil War, a singularly gruesome job in a singularly gruesome war. His wartime experiences may have first got him unhinged, but it wasn't until Minor settled in seedy Lambeth, South London's "swampy gyre of pathways," that he really lost it.

On one such pathway, shortly after 2 A.M. on Feb. 17, 1872, he shot and killed George Merritt, a laborer en route to his shift at the Red Lion Brewery. A swift trial followed, and Minor was sentenced to imprisonment at Broadmoor "until Her Majesty's Pleasure be known." It seems that Minor had suspected Merritt of being one of the Irish Fenians who, he insisted, had been stealing into his flat at night to poison and violate him. Minor had already complained to Scotland Yard about nocturnal disturbances, a continuation of the paranoia that had begun to envelop him in America, where strange men tried to get him to eat poisonous, metallic biscuits.

The police investigation revealed that Minor had a strong affection for Lambeth's plentiful brothels; Broadmoor authorities discovered that Minor had been bedeviled by sex ever since his boyhood in Ceylon, where his parents ran a mission and girls ran naked on the beaches. Even after his confinement, delusions of nightly orgies and sexual coercion would plague him until 1902, when he treated himself with a cure that is best left undescribed.

Murray's life, meanwhile, was con-

sumed by happier, if less dramatic, obsessions. The elephantine project of getting the Big Dictionary together was making him a notable scholar, and, in 1908, a knight of the British Empire. Still, the sad lot of Minor — whose weekly contributions to the OED Murray considered invaluable — continued to fill Murray with pity, and he made visits to Broadmoor to buck up his incarcerated colleague's spirits.

Winchester's history of the OED is brisk and entertaining but sometimes exaggeratedly so; he risks sounding like an episode of "Lifestyles of the Victorian Subalterns." "Their learning was unrivaled, their scholarship sheer genius, their contribution to literary history profound." Likewise, his ear for American history could use some fine-tuning. The well-traveled English journalist has a flood of immigrants "pouring in from Ellis Island" in 1866, when, in fact, Ellis Island opened to immigrants in 1892. But the bigger problem is that, despite Winchester's access to previously unseen material, we're never sure when he is cleaving to facts and when he's fictionalizing.

And he finishes with a salute to Minor's victim that could almost be a macabre Oscar-night speech: "to the late George Merritt of Wiltshire and Lambeth, without whose untimely death these events would never have unfolded, and this tale could never have been told."

"The Professor and the Madman" is indeed a tale or, as Winchester elsewhere describes it, "an amusing little saga." Beyond that, it never seems to know what it wants to be.

Mark Rozzo, who is on the editorial staff of the New Yorker, wrote this for The Washington Post.

## BRIDGE

By Alan Truscott

At the world championships in Lille, France, the French teams were hoping to make it three in a row. In last year's final, they overcame the Nick Nickell team that had been dominant in American tournaments in recent years. There was some irony in the diagrammed deal, played early in the match.

It is conventional wisdom that a declarer is better off reaching a contract quickly — without giving information to the opponents — instead of using a slow auction that helps them select an opening lead. In this case both North-South pairs arrived in three

no-trump. The French declarer was Frank Mulron, who struggled into three no-trump as shown after the American East, Bob Wolff, ventured one spade in

third position. Most experts would have done the same, hoping to indicate a lead to partner. South doubled and showed a strong hand with a two-spade cue-bid when his partner, Hervé Moniel, responded two diamonds. North's three-heart bid showed that his hand was not useless, and three no-trump was the obvious choice.

Bob Hamman, as West, knew exactly what to lead: a spade. South played low from dummy and allowed East to win with the ten. This was an error on a double-dummy basis, for East could have shifted to a heart and removed dummy's crucial entry. But East had no way of knowing this, and continued with the spade king.

Now South took his ace and played his top diamonds. When this collected the queen he could count nine tricks, since the heart ace remained

as the entry to the diamonds. He made an unimportant overruff when East later gave up a club.

In the replay, East did not open the bidding and the American South, Jeff Meckstroth, bid two no-trump. This was raised to three no-trump, and the French West, Christian Mari, had no idea what to lead. He took a stab at the heart queen, which was the partnership choice from King-queen with a weak suit, and it might have been disastrous. But he struck gold: Not only did he find his partner with the jack of hearts and length, but he was able to remove dummy's crucial entry. When the queen was allowed to win he continued with the king. This also won, and he played a third round removing the ace.

South took a diamond finesse successfully and played the top diamonds. But his attempt to reach dummy with a

club lead failed and the contract was doomed. He could have made eight tricks but emerged with only seven so France gained 13 imps.

So the man who knew too much was defeated by the man who knew nothing at all.

NORTH			
♠	187		
♥	A 10 6		
♦	10 9 8 6 3		
♣	J 7		
WEST (D)			
♠	6 4 3		
♥	K Q 8		
♦	J 5 4		
♣	8 6 4 3		
SOUTH			
♠	A 9 5		
♥	9 5 4		
♦	A K J		
♣	A K 9 5		
North and South were vulnerable. The bidding:			
West	North	East	South
Pass	2♦	1♠	2NT
Pass	3♦	Pass	3NT
Pass	Pass	Pass	Pass
West led the heart queen.			



Photo taken at the Westminster restaurant Le Cordon, Paris.

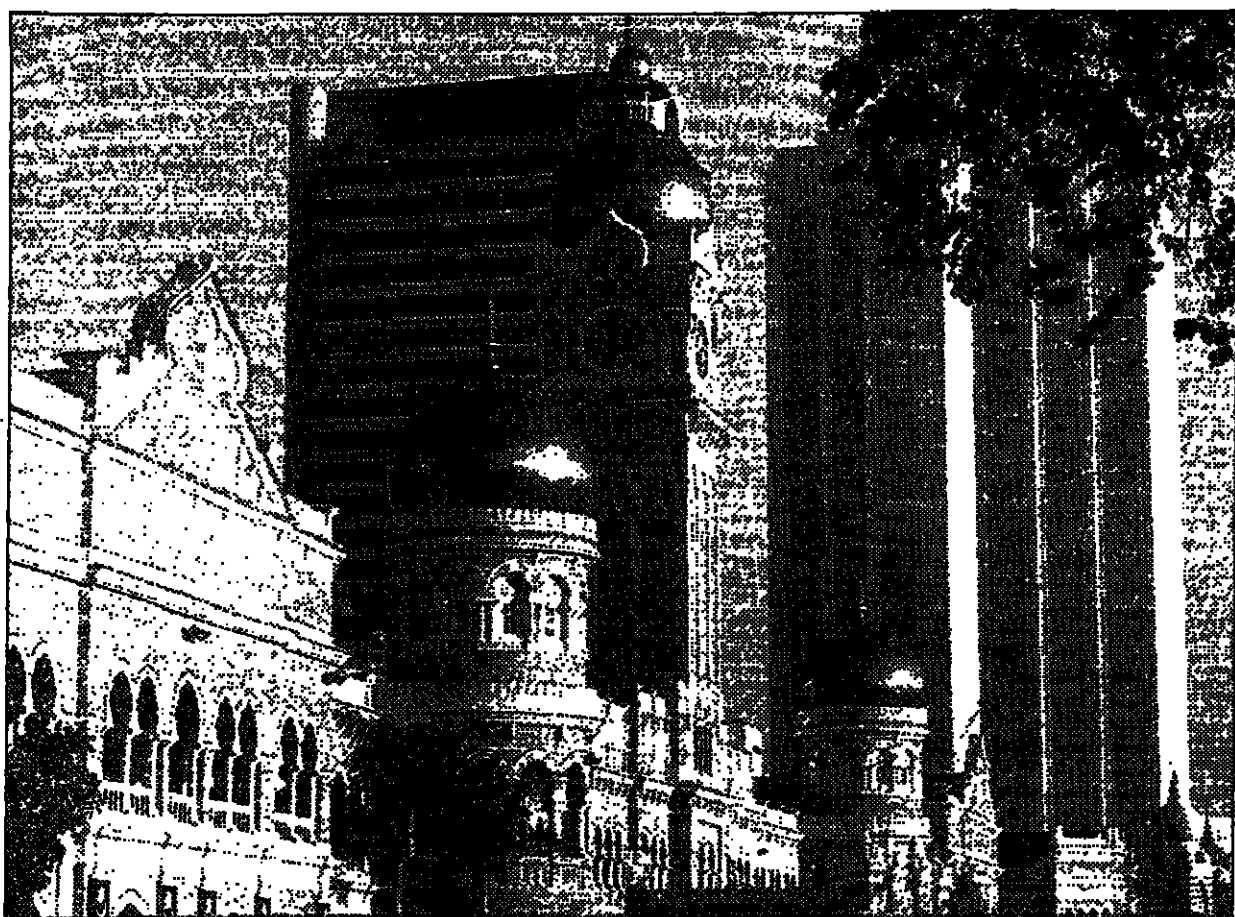
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Skyscrapers loom above the colonial-era palace of the Sultan Abdul Samad in central Kuala Lumpur.

## Malaysia's Dazzling Mosaic

### Pursuing the Secrets of the Mysterious Peninsula

By Gary Lee  
Washington Post Service

**M**ALACCA, Malaysia — The sultry air hanging over Malacca did not make for an easy climb, but I was determined to make it to the top of the grass-covered knoll ahead. One of the three secrets to the charm of the Malay Peninsula, a less-traveled corner of Southeast Asia celebrated for its lush tropical landscapes and colorfully mixed population, lay somewhere up there.

Or so my guide had told me. Sofyan, a Malay chef who had taken his day off from making a spicy beef stew known as *rendang* to show me around Malaysia's third largest city, was scampering a few feet ahead, up the incline called Bukit China. Earlier that afternoon, during a chance meeting in a café, he had asked what brought me to this sleepy Malaysian port.

Looking up from my glass of sugar cane juice, I wondered what I should say. That I was drawn halfway around the world by the ball of orange that droops breathtakingly across the Straits of Malacca at dusk? Or that it was the irresistible taste of spicy noodles sold by street hawkers that had attracted me? Or should I acknowledge why I had really come to wander the beige beaches of the Malaysian island of Penang?

I was searching for a place of perfect ethnic harmony. Through books and photographs, I had amassed an image of Malaysia as home to the world's most extraordinary conglomeration of races and faiths. The demographics of the region are dazzling. Of Malaysia's 21 million inhabitants, about 59 percent are Malays — a brown-skinned people of blood mixed from Chinese, Arabs, Siamese and Javanese.

Chinese, who first came as traders in the late 14th century, comprise 32 percent. Indians make up 9 percent. Iban, Kadazan and a handful of other indigenous tribes constitute the rest. Islam, imported by traders from southern India, was embraced by Malays and is now the country's predominant religion. Many Malaysians also practice Hinduism, Taoism and Christianity.

Of course, population statistics tell only part of the story. Over the past century, a few scribes have filled in much of the rest, in vivid detail. In "The Rescue," "Lord Jim" and other tales, Joseph Conrad wrote of the Malay archipelago as a dark and brooding place, where powerful sultans and rajahs rose and fell, Chinese merchants amassed fortunes and a hard-core British expatriate elite clung to colonial power, all against the background of the humid tropics.

More recently, in "The Straits Chinese," the Malaysian sociologist Khoo Joo Ee shone a light on the rich subculture of Babas and Nonyas (respectively, the male and female offspring of Sino-Malay unions) that flourished for centuries in Penang, Malacca and Singapore.

**GETTING BENEATH THE SURFACE** The more I learned about this region, the more I wanted to immerse myself in it.

Malacca, my starting point, is an ancient port that played a pivotal role in the settlement of the Malay Peninsula. Strategically located on the banks of the Straits of Malacca, it served as a point of entry and massive marketplace for spice merchants and other traders from the far corners of Asia. Successive conquerors claimed the city and built forts here. A century of government by Sumatran princes and sultans eventually gave way to Portuguese colonialists, who re-

mained from 1511 to 1641. Then came the Dutch, who stayed until the late 1700s, when the British took over. They remained until 1957, when the country gained its independence.

A walk through Malacca's dusty streets, past ornate colonial mansions and seedy hotels, convinced me that it was an appropriate beginning to my sojourn. Here, easily reachable by foot, were the relics of colonial rule: the Porta de Santiago, the gateway that was the only surviving piece of A'Famosa, a fortress constructed by the Portuguese in the 1500s; the Stadthuys, a bright red 17th-century structure built by the Dutch as a city hall but now used to house the Malacca Museum, and the skeleton of St. Paul's Church. Destroyed by fire in the mid-1800s, this Portuguese-built house of worship has lain in ruin ever since.

Malacca's Chinatown, a settlement of ancient wooden houses and rustic antiques shops, was a few blocks away.

I then stopped at the Café Malacca, where I struck up a conversation with Sofyan. After reflecting on his question about what brought me to Malaysia, I told him that I wanted to know what makes the mix of this country's ethnic groups work in such harmony.

"There must be some secret to it," I said.

"I am not sure we have ethnic harmony," he laughed. "But if you think so, there are probably many reasons for

I wondered about what Sofyan had said. The temple, the house and the hill were all worth a visit, but by no means the most spectacular attractions in Malaysia. Why had he singled them out as the secrets to Malaysia's ethnic harmony?

At first blush, Kuala Lumpur, located about 100 miles inland from Malacca, is a daunting capital. When I arrived at the airport I asked a taxi driver for an impromptu tour. We began in the tourist-friendly Golden Triangle, where the five-star Marriott towered over the chic Shangri-La and the Lot 10 shopping mall and the Sungei Wang shopping plaza.

**K**UALA LUMPUR has grand ambitions. Although its population is only 2 million, a rush of new construction seems aimed at transforming it into a metropolis. At 1,483 feet, the Petronas Towers, modernistic twin skyscrapers that beam over the city, are the world's tallest structures. Kuala Lumpur's airport, just opened last month, is one of Asia's biggest landing fields. Although the city suffers no shortage of five-star hotels, a half-dozen luxury chains are constructing properties.

Over drinks at the fashionable Royal Selangor Club, a colonial-era watering hole, Edmund Liew, a young Malaysian lawyer of Chinese extraction, and his wife agreed that the spirit of growth has made Kuala Lumpur one of Asia's most comfortable cities.

"Even in times of economic downturn," Liew said, "the city has a mood of prosperity about it."

For the casual traveler, that mood could make for a stylish vacation. And favorable exchange rates make it more affordable. The accommodations at the Regent, where I stayed at the discount rate of \$120 a night, were impeccable. A sumptuous dinner at the elegant Chinese restaurant Shang Palace was only \$26 for two.

The Central Market is a must for students of Asian ethnicity.

After a morning of window-shopping and haggling, I toured the National Gallery and the National Museum, a 10-minute walk further.

The Batu Caves, 20 minutes by taxi from the city center, seemed like the perfect retreat into serenity — a series of dimly lit rooms inside a towering limestone cliff. Even with monkeys running wild in and out of dark corners, I found it easy to spend an hour or two there.

As I waited for a taxi to deliver me to the airport for the trip back to the United States, I reflected on my journey. As it turned out, I had not encountered a perfect ethnic mosaic in Malaysia. At least my local contacts did not think so.

In conversations, many Chinese ethnics complained about restrictions imposed by the Malay majority. Requirements that the Malay language be used in the workplace made advancement hard for ethnic groups lacking proficiency in that difficult tongue. Malays complained that Chinese merchants held too much sway over the economy. Also, the tensions that erupted in race riots in Kuala Lumpur in 1969 still lie beneath the surface.

My thoughts turned to my visits to the Malay house, the Hindu temple and Bukit China. I finally understood why he described them as secrets to the charm of the Malay Peninsula.

Together, the places represented the cornerstones of human existence in Malaysia: home, spiritual fulfillment and death. No matter where we all originated or what our skin tone, my guide seemed to say, our lives are about living under a roof and making peace with a higher being.



One of the faces of Malaysia's rich culture.

it. In the end, the secret lies in three different places. Come. We have just enough time to visit them."

Our first stop was the Sri Poyatha Vinayagar Moorthi Temple. Built of wood in traditional Indian style in 1781, it has been used since then as a place of Hindu worship.

From there we took a taxi to the Villa Sentosa, a small traditional Malay house on the edge of the city that serves as a museum showing outsiders how most Malays live.

Then we headed for Bukit China, a burial ground for Malaysians of Chinese descent. It's on a hill in a quiet corner of the city, footsteps away from Chinatown. As we climbed, I began to see tombstones rising above the uncut grass. I was at once inspired and mildly irritated. The inspiration came from the stunning view of the city from the top of the hill. The irritation resulted from spending a precious afternoon in a run-down cemetery. It was not until a week later that I took time to reflect on that afternoon in Malacca.

## From Sushi to Empanada

The New York Times takes a look at eating in four cities around the world:

### TOKYO: A GREAT EATING TOWN

Tokyo remains one of the world's great eating cities, and a good place to begin is Roppongi, the night life district. Some of the city's best sushi can be found at Fuku Zushi, 5-7-8 Roppongi, Minato-ku, (81-3) 3402-4116, just underneath the Tokyo version of Spago, the Los Angeles restaurant. Lunch is a great bargain here: about \$20 at current exchange rates. Dinner runs from \$42 to \$75 a person if you stick to the set menus, but it can easily go higher if you order sushi by the piece and drink.

Just a few steps away is the noisy, always entertaining Inakaya, 5-3-4 Roppongi Minato-ku, Tokyo, (81-3) 3408-5040, a place for grilled wonders, from shrimp to huge shiitake mushrooms, that go far beyond conventional yakitori — grilled chicken on short wooden sticks. But the best part is the atmosphere: Diners sit at a horseshoe-shaped bar, and the chefs with traditional Japanese kerchiefs tied around their heads pass your food to you on long wooden paddles, while shouting orders at their colleagues (and sometimes their customers). The average price is about \$80 a person.

There is plenty of good cheap food, too; feasts can be had for \$20 or less. In the early evening, try the noodles and the yakitori under the tracks around Yurakcho Station, in the heart of downtown. This is where Japanese workers grab a bite before catching a train home. Most of the tables are outside, with a great view of the bullet trains pulling in overhead.

Down by the Tsukiji fish market is some of the best inexpensive dining in the city; just follow the workers at the market (their overalls covered with bits of fish) and eat where they eat. At Tsunagame, Kyoei-kai Building, B1 Floor, 4-7-5 Tsukiji, Chuo-ku, (81-3) 3541-3300, shrimp, vegetables and everything else come out of the tempura pot. The narrow bar, open until 2:30 P.M., is near the main Tsukiji intersection.

—David E. Sanger

### NEW YORK: A WORLD TOUR

Like French food? You're better off in Paris. If Chinese food is your passion, go to Hong Kong. You will undoubtedly find superior sushi in Tokyo, tastier tacos in Tijuana and better biryanis in Calcutta. But if you have a restless appetite, New York City is the world's best place to eat: You can have it all.



My world tour of New York begins, early in the morning, in France. The minimalist City Bakery, 22 East 17th Street, (212) 366-1414, may not look like Paris but all you have to do is close your eyes and take a bite of the flaky croissant; suddenly you are there.

Lunch in Japan? The tranquil atmosphere at Honmura An, 170 Mercer Street, (212) 334-5253, turns a small corner of SoHo into Tokyo. Soba are an edible expression of the Japanese aesthetic: Reluctant noodles forced from buckwheat flour. They are difficult to make and the result is extremely subtle, which is why it is so rare to find the real thing outside of Japan.

Real pizza is also hard to find. Lombardi's, 32 Spring Street, near Mott Street, (212) 941-7994, somehow transforms flour, cheese and tomatoes into a magnificent creation: Sweet tomatoes and melted mozzarella perch on a thin,

lightly charred crust that has the exact taste of southern Italy.

It seems like a long leap to Korea, but not on this trip. In that country Cho Dang Gol is a village known throughout the land for the quality of its bean curd. In New York it is the name of a restaurant at 55 West 35th Street, (212) 695-8222, that makes spectacular fresh bean curd every day and serves it in a range of dishes rarely seen outside of Korea.

There is no nicer way to while away an afternoon than with a glass of retsina and a few mezes (like tapas) in a Greek taverna. The one we're looking for is right on Seventh Avenue. Molyvos, 871 Seventh Avenue, near 55th Street, (212) 582-7500, is named for a town on the island of Lesbos, and while it lacks a seaside setting, the *tzatziki*, or cucumber, yogurt and garlic dip, and *taramosalata*, whipped fish roe, can take me, at least briefly, to a small Aegean island.

And now for a taste of international luxury: champagne and caviar in the dark Art Deco elegance of Petrossian, 182 West 58th Street, (212) 245-2214. It is just the thing before dinner, back in Paris. When Magny Le Coze moved to New York in 1986 she and her late brother, Gilbert, changed the way Americans thought about fish. Eating at her establishment, Le Bernardin, 155 West 51st Street, (212) 489-1515, is like visiting an exquisite restaurant in the City of Light. The three-course prix fixe dinner costs \$70 and the wine list holds many temptations.

I love all of these restaurants. But even more than that I love knowing that I can get up tomorrow and start all over again — with an entirely different itinerary.

—Ruth Reichl

### MADRAS: DUMPLING AS SPONGE

I am up to my knuckles in *idli* again. For the three weeks I've been traveling through Tamil Nadu, the Indian state at the southeastern end of the subcontinent, I've not encountered a single spoon or fork. But I've handled — with the fingers of my right hand, as is polite here — at least one hundred of these white steamed dumplings, about the size and shape of a powderpuff, made of rice and ground lentils.

It's a messy business, for a South Indian *idli* is not meant simply to be picked up and eaten like a bun. It is an edible sponge, and the only way to really savor it is when it is sopping with the juice of one of its inseparable companions: chili and coconut chutney, and the rich, spice-laden reddish-brown soup called *sambar*.

This is where the knuckles come in. *Idli*-eating in a typical Madras restaurant like the Maharaja on Triplicane High Road, involves dumping the chutney and *sambar* over the dumpling, then massaging them into the dumpling with your fingertips, to mix everything around nicely into a mush on the banana leaf that graces your tin platter, or *thalai*.

To the uninitiated, it feels a bit like kneading the ingredients for a meatloaf. Doing it in public embarrassed me at first — I felt like a 6-year-old. Even more embarrassing was that the waiters would gather around to watch. By now, I'm a practiced hand because in Madras you get *idlis* for breakfast, lunch and dinner.

Madras — officially known now as Chennai — is not a great town for pricey, upscale linen-tablecloth dining (with one major exception: the exquisite Annalakshmi, 804 Anna Salai, 852-5109, a vegetarian gourmet oasis of hushed voices, antique wood-carved panels and brass chandeliers, run by devotees of the guru Sivananda), but it may well be the capital of haute cafeteria cuisine. The city boasts hundreds of fast lunch places, like the Maharaja, where 75 cents buys you a bottomless *thalai* lunch fit for a prince.

Tamil cuisine, like its culture, is thousands of years old, and revolves around a handful of staples: the aforementioned *idli*, the huge crisp rice-or-wheat-batter pancake called the *dosa*, the savory golden-brown doughnut-like *vada*.

Yet within that palette there is such variety and subtlety, such potential for culinary disaster or triumph! Ferment the batter of the dumplings for too long, and they will turn sour; steam them excessively, or leave them sitting for more than an hour or two, and they will turn to foam rubber; lace them with shredded carrots and chopped cashews, and serve them at steaming point, and they approach the divine.

In an ancient cuisine like the Tamil, the novelty of innovation falls away,

replaced by the impulse for perfection. Perhaps that is why the waiters at Maharaja are running so urgently from kitchen to table to kitchen.

—Daisann McLane

### BUENOS AIRES: ABUNDANCE

Good food is relished here, eating out a part of life. Humble or grand, *criollo* or immigrant, the *porteño* has a restaurant he is ready to swear by. The best *empanada*? "At El Sanjuanino, of course." El Sanjuanino is at 1312 Soldado de la Independencia, (54-1) 784-9589, but the *empanada* is also a staple of the corner restaurant. A delectable and filling pastry turnover, it is usually filled with meat, chicken, or ham and cheese. Pizza, Argentine style, comes in a close second. An Italian import with a local bent, the secret here is in the crust: thin and crunchy, or thick and spongy. Toppings are exhaustive and heavy on the mozzarella. Pizzerias abound, but local purists patronize Los Inmortales, which has five locations, including 1369 Avenida Corrientes, (54-1) 373-5303, for the perfect Argentine pizza.

The favored meal in this nation of meat eaters is a feast at a *parrilla*, or steakhouse. Windows display grilling goats



stretched on a spit, but beef is the passion. An *asado* (barbecued meat) or a *parillada* — mixed grill with steak, short ribs, kidneys, blood sausage, tripe and sweetbreads — is traditional. The steaks are legendary. There are many parrillas. But numero uno right now is arguably Cabana Las Lilas, 516 Avenida Alicia Moreau de Justo, (54-1) 313-1336.

Las Lilas displays South American art, looks out on the docks and is in very fashionable Puerto Madero — a section of restored 19th-century warehouses along the Rio de la Plata. If you've had your fill of meat, try some of the other good restaurants there, including Katrine, 138 Avenida Alicia Moreau de Justo, (54-1) 315-6222, for Mediterranean/Asia-Pacific/Californian cuisine, and Dique Cuatro, 176 Avenida Alicia Moreau de Justo, (54-1) 315-6259, for seafood. Whatever the choice, in Buenos Aires dinner starts around 10 P.M., costs \$50 to \$60 a person with wine in these places, and goes on for hours.

Buenos Aires is a city enriched by mass immigrations and the cuisines that come with them. Some popular choices: Cantinas in Barrio La Boca display hanging hams and serve Italian-Argentine pastas; La Taurina, 1485 Bartolome Cruz, in Barrio Vicente Lopez, on the city's outskirts, (54-1) 797-6580, has the best *tapas*; Morisano, at 390 Paraguay, (54-1) 314-0924, and 3521 Paraguay, (54-1) 823-4250, spectacular sushi. The London Grill and Oyster Bar, 455 Reconquista, (54-1) 311-2223, could be in England; Schlotzky's Deli, 480 Avenida Corrientes, (54-1) 394-4016, could be in New York. And with French and international fare, La Bourgogne, 2078 Ayacucho in the Alvear Palace Hotel, (54-1) 805-3857, is known as the country's best restaurant, where dinner costs \$55 to \$70 a person with wine.

It is fun to eat as *porteños* do, and a meal (\$26 with wine) at Los Anos Locos, a no-holds-barred *parrilla* on Costanera Norte across from the river, (54-1) 784-8681, is a classic. Big and bustling, it serves first-rate meat. The portions are huge; come with mountains of french fries and salad, and take hours to polish off. Which is much of the fun.

—Barbara Cansino

## Provençal Chef's Ode to Melons

By Patricia Wells  
International Herald Tribune

**C**AVAILLON, France — Would that 100 regional chefs in France had the same passion for produce as Jean-Jacques Prevot. Anyone familiar with this Provençal capital of the European cantaloupe, could suspect that the famed "melon de Cavailon" would fall into his range of obsession, and so it does.

Until the end of the month this enthusiastic, committed chef is offering a lively all-melon menu, in which he features every part of the fragrant, sweet and juicy fruit. From the seeds, or *pepins*, he concocts a luscious, purée-like sauce. The flesh just beneath the rind is turned into a slippery pickle. A gelatin-like sauce adorns the local banana shallot, or *echalote de Simiane*, which is cooked ever so slowly in red wine sauce.

Perfect slices of melon are sautéed in butter and olive oil, anointed with a touch of balsamic vinegar, and turned

into a rosette-like offering, twisting the melon slices with smooth and mild slices of wild boar ham. The accompanying pickles form a perfect foil. Monkfish is stuffed with nuggets of melon, the fish is cooked slightly, then teamed up with a iodine-rich sauce based on the delicate langoustines, or Dublin Bay prawn.

His nougat glace is laced with a confiture of melon, and of course the house aperitif is a refreshing, melon-toned drink that includes an infusion of dozens of local herbs. He will show you the melon can be eaten raw or cooked, sweet or salty, hot, cold, or spiced, as an entrée or a dessert.

Prevot — whose family has been in the restaurant business in France for several generations — continues to dig deeper and deeper, working with melon growers to create a super-sweet and juicy Cavailon melon whose sweetness level is inspected with a syringe.

The small restaurant in the center of this old-fashioned farming town is decorated with what must be the

world's largest collection of melon memorabilia, including Art Deco forks for spearing cubes of melon, melon artwork, pottery, posters, and trompe l'oeil works.

At the end of the season Prevot does not close up shop. He turns his attention to scallops, for his mother once ran a restaurant in Brittany where coquilles Saint-Jacques were the specialty.

In the winter, Prevot offers an all-truffle menu. All this would be a lot of trickery if Prevot's passions were not built on the complete understanding of his ingredient, and a willingness to capture the best qualities of each.

Prevot, 353 Avenue de Verdun, 84300 Cavailon. Tel: 04-90-71-32-43. Fax: 04-90-71-97-05. Credit cards: American Express, Visa. Closed Sunday dinner and Monday. Open for Sunday lunch from September to July. All-melon menu from 295 to 360 francs, including service but not wine. A la carte, 280 to 360 francs.



## LEISURE

## Drinks Worth a Thousand Words

By William Grimes  
New York Times Service

**N**EW YORK — The right drink does more than slake a thirst. It takes you somewhere, even though "somewhere" might be the very place you happen to be.

A whiff of calvados in the fall sends a fragrant message straight from the orchards of Normandy. Consumed on the spot, at a café in Rouen, it fills in a tiny blank space on the imagination's map. With a poet's concision, it explains the place. For centuries, Normandy has been apples and apples have been Normandy.

What could bring the point home more memorably than a few ounces of the local spirit? A snifter is worth a thousand words.

In the great age of travel, this romantic link between drink and destination could get out of hand. In "The Gentleman's Companion," written in 1939, Charles Baker Jr. outlined a grand cocktail tour that took the reader on imaginative flights fueled by drinks like the Tiger's Milk, "from the historic Wagons-Lits in the Peking Legation Quarter," or "the unpredictable Balloon Cocktail from Calcutta's smartest restaurant, Firpo's."

American readers whose idea of exotic travel went no farther than the Grand Canyon could go to their kitchens and shake up a Colombo Flying Fish or a Rangoon Star Ruby.

Baker went overboard, but in principle he was right. As often as not, drinks exude a heady local atmosphere, because they have a profound connection with the region or the city that gave birth to them.

Wine, beer and spirits literally spring from the soil underfoot, and, like a magic potion, they can transport a traveler straight to the roots of the territory he or she is exploring. France offers finer wines than Muscadet, but who, stepping off the ferry from Dover, would order anything else with a platter of oysters? A couple of years ago, when my wife and I settled in for a week in Les Montades, a one-street village in Languedoc, our landlady greeted us with a chilled bottle of Picpoul de Pinet — not a great wine, but a profoundly local one. It was like getting a key to the city.

Cocktails, too, speak with a local accent — not all of them, but enough of them to make the shrewd traveler think twice before reflexively ordering a generic vodka and tonic. Colonial rule has vanished, but the parched traveler in Bombay is allowed to conjure up one Merchant-Ivory moment by ordering a



Illustration by...

Pimm's cup, or a Somerset Mangham moment drinking a Singapore Sling at Raffles Hotel.

And breathe there a man with a soul so dead that he would not order a sidecar at Harry's New York Bar in Paris? This titan among drinks, a combination of cognac, Cointreau and lemon juice, may or may not have originated at Harry's, but the bar is without question its spiritual home. Ordering one is an act of solidarity with the wave of Americans, Hemingway and Fitzgerald among them, who bent an elbow at Cinq Rue Danton in the 1920s.

New Orleans can reasonably claim to be the most different city in the land — it is in the United States but not necessarily of it. Exhibit A in this case would be the city's native cocktails, idiosyncratic concoctions that evoke the cosmopolitan, polyglot New Orleans of the early 19th century. Order a sazerac or a Ramos gin fizz anywhere else in America and you will be rewarded with a blank stare.

At Antoine's, or Arnaud's or the Sazerac in the Fairmont Hotel, they know. The sazerac is a rye cocktail enlivened and Frenchified with a splash of Pernod (it used to be absinthe) and a dash of the locally produced Peychaud's bitters. The Ramos gin fizz is a feather-light gin cocktail made with lemon and lime juice, orange-flower water, egg white and cream, shaken until it becomes a fragrant foam.

Most New Yorkers think of the Waldorf-Astoria as a hotel, but for cocktail enthusiasts it is a bar, richer in history than any other bar in the city. It takes a little imagination to reclaim the place and turn back the clock, since the old Waldorf Bar disappeared with the old Waldorf-Astoria in 1929 after serving as a "potent school of bibulous instruction," in the

words of one historian, from 1893 to the onset of Prohibition in 1920. But the new bar salvaged the bronze bull and bear that presided over the old place and maintained the ornate look that spelled luxury in the days when giants like Bet-a-Million Gages roamed Manhattan, and Buffalo Bill Cody held court, happy to accept a free drink with the words, "Sir, you speak the language of my tribe."

The stock ticker is electronic now, and the sporting element has disappeared, but the Bull and Bear, as the bar is now called, is still a good setting in which to sniff the faint lingering aroma of an older, brasher New York. The appropriate drink helps: There's no point in asking for a McKinley's De-light, a 1915, a Tribby or most of the more than 400 cocktails served at the Waldorf Bar, but a Bronx might put you in business. Before Prohibition, this beguiling combination of gin, orange juice and sweet and dry vermouth ranked as one of the city's most popular cocktails. Overconsumption of bathtub gin disguised by orange juice pretty much ruined that particular flavor combination, and the noble Bronx died an untimely death. It deserves to be rehabilitated and placed right next to the Manhattan as one of New York's many gifts to the civilized world.

**T**HE history-minded cocktail lover could cut a wide swath back and forth across the United States, sipping a Ward Eight in Boston, a Clover Club in Philadelphia and a Hemingway-sized daiquiri in Key West. A pisco punch in San Francisco would honor the clipper-ship era, when pisco brandy made its way up the coast from Peru, and no California trip would be complete without a move south for the island fantasy drinks that don the Beachcomber and Trader Vic unleashed in the 1930s and 1940s.

There's a purely selfish reason to drink local. You stand a better chance of getting a quality product.

The mint julep never did much for me until the day I found myself in Jocelyn's, a small family-run restaurant in Ocean Springs, Mississippi. When the waiter drifted over and asked for drink orders, one of the diners, a local resident, said, "Go on and try the julep — they're pretty good here."

The waiter returned with a tray of tall glasses beaded with condensation. I lifted an ice-packed glass, buried my nose in a sprig of the mint garnish and let the rich, sweet bourbon tickle down my throat. As thirst quencher, this one ranked near the top of the major leagues.

## MOVIE GUIDE

54

**Directed by Mark Christopher. U.S.** Years from now, if Mark Christopher's timid, meandering film is spoken of at all, it will probably be lumped together with Whit Stillman's "Last Days of Disco" as one of two movies released in 1998 to bungle the same opportunity. Both films, while purporting to examine New York City's voracious late-1970s disco culture, adopt a primarily distanced attitude toward a moment, just before the AIDS epidemic struck, when voluptuous hedonism became a kind of mass hysteria. Sex, drugs and disco: you couldn't ask for a juicier mix. But when it comes to squeezing juice, both movies come up dry. Christopher's film is an informal history of Studio 54, the disco culture's ultimate pleasure dome and celebrity hangout, a kind of floating Andy Warhol party whose glory days ended abruptly when the place was raided by the Internal Revenue Service. Unable to decide if it's a retrospective exposé, a "Saturday Night Live" spoof or a "Saturday Night Fever" retread, "54" ends up a confused mishmash of all of them. The film provides only scattered intimations of the urban ecstasy, the beat-driven synergy of light, sound, drug-enhanced eroticism and the giddy, narcissistic euphoria of imagining yourself at the center of the world, which was the essence of the Studio 54 experience. The movie's strongest element is its star, Ryan Phillippe, whose character, Shane O'Shea, sporadically narrates the movie. An ambitious 19-year-old nobody from Jersey City, Shane drives into Manhattan one night with a bunch of friends and finds himself the only member of his party selected for entrance into the magic kingdom presided over by the club's gay social director, Steve Rubell (Mike Meyers). Ascending from busboy to bartender, Shane becomes one of the club's in-house stars who at the height of his glory drives around in a car with personalized license plates. As Rubell, who calibrated Studio 54's nightly chemistry of celebrities, pretty boys, models, moguls and colorful eccentrics, Meyers turns in a skin-deep caricature that is only a half-step away from a comic spoof. The movie might have worked had it decided which story it wanted to tell and stuck to its guns. But instead of exploring the hearts and souls of its urban dreamers, it feels like a crudely patched-together collection of notes for a project that got lost on the cutting-room floor.

(Stephen Holden, NYT)

## Next Stop Wonderland

**Directed by Brad Anderson. U.S.** This film has its Alice, its Queen of Hearts and even a rabbit hole of sorts. There are also many odd creatures stirring about this whimsical tale. That they happen to be everyday dweebs, duds and freaks attests to the off-center sensibilities of this charming comedy about the search for love. Erin (Hope Davis) is the "Alice": a not-quite-beautiful blonde with a propensity toward bemusement. Her mother (Holland Taylor) is the imperious know-it-all, and Wonderland is a Boston sub-



Ryan Phillippe, left, in a scene from Mark Christopher's "54."

way stop. Let's stretch the metaphor like the elastic in an old pair of pants: we should mention that the tale's structure is more in line with "Sleepless in Seattle." Though a shade darker than the commercial hit, "Wonderland" similarly keeps audiences in suspense by keeping potential soul mates apart. Here, however, it's not distance but circumstance that prevents them from cute collision. Though they regularly cross paths, they invariably go their separate ways at the last millisecond. But in examining their separate lives, director Brad Anderson and his hand-held camera hope to prove that Alan (Alan Gelbart), a pensive ex-plumber, is meant for Erin, a wistful night-shift nurse. And while we'd rather see her run off with a hunky Brazilian (Jose Zuniga), Anderson does have a point. Erin, dumped by her activist boyfriend (Phillip Seymour Hoffman) in the film's witty prologue, is soon wallowing in solitude. She has come to treasure her time alone, reading the old books she loves, listening to her bossa nova records and remembering her late father. When her mother discovers Erin thus becalmed, she decides to blast her out of her funk. Without telling her, she places a personals ad in the local paper. "Frisky, cultured with a zest for life," hardly describes the sad, somewhat cranky and still supremely irked Erin. Though she's furious with her mother for meddling, Erin gives in to her curiosity and responds to the sudden deluge of voice mail. Meanwhile, Alan pursues his studies in marine biology, volunteers at the Boston Aquarium and fends off the frequent advances of a lusty classmate (Cara Buono). He's also in hook to a loan shark, both for his tuition money and for his father's gambling debts.

"Next Stop Wonderland" manages to keep the soul mates apart and still keep us guessing. (Rita Kempley, WP)

## Blade

**Directed by Stephen Norrington. U.S.** In the lurid, loud and bloodshot "Blade," Wesley Snipes isn't so much cast in the title role of a comic-book superhero vampire hunter as he is infected by it. As Blade — a half-man, half-vampire born to a mother bitten during pregnancy — Snipes's performance is fever-hot and artery-deep. He becomes a nitro-burning vehicle for his larger-than-life alter ego. In one of the film's earliest scenes, Blade is shown brutally pummeling the face of a policeman he suspects has been collaborating with the vampire underground, which the film would have you believe is everywhere. Using the man's body as an impromptu dust mop, he proceeds to clean up the apartment of a woman he has just rescued from a particularly bloodthirsty jugular-sucker (Donal Logue). "Is all that necessary?" asks Karen (N'Bushe Wright), as her furniture explodes in splinters. Strictly speaking, yes. Not to advance the story, however. What narrative there is here — a dense, illogical tangle involving the plot of a young, renegade vampire posse to usurp their elders and defy their leader (Stephen Dorff) — is as ridiculous as the day is long. With style to burn, the production team has created an entire, lavish world out of only three colors: black, white and red. In the stark, anonymous metropolis of "Blade," there are no other hues. Its stomach-turning special effects, bone-crunching martial arts and cynical humor will more than satisfy any action-film addict's need for a fix of eye-popping escapist adrenaline. (Michael O'Sullivan, WP)

## ARTS GUIDE

## AUSTRIA

**VIENNA** Kunsthof, tel: (1) 71191-5737, open daily. To Nov. 29: "Rot in der Russischen Kunst." The use and symbolism of the color red in Russian art over six centuries, from icons to Expressionism, Avant-Garde and Propaganda art under Stalin.

## BRITAIN

**LONDON** National Gallery, tel: (171) 747-2885, open daily. Continuing/To Oct. 11: "Venice Through Canaletto's Eyes." The splendor of Venice's festivals, regattas and other ceremonies in the paintings and drawings of the 18th-century Italian artist.

## CHINA

**BEIJING** Forbidden City, Sept. 5-13: Performances of Puccini's "Turandot." Directed by the Chinese director Zhang Yimou and conducted by Zubin Mehta. The orchestra and chorus of the Maggio Musicale Fiorentino accompany Maria Guleghina, Jane Eaglen and Sharon Sweet who alternate in the title role. Lando Bartolini, Sonja Larin and Kristjan Johansson alternately sing the role of the audacious prince.

## FINLAND

**HELSINKI** Helsinkiin Taidehalli, tel: (0) 454-20-00, closed Mondays. To Oct. 4: "Christian Bokanski." The French artist (born 1944) seeks to catch daily life's fleeting moments in recent collages and installations.



"Ictus," by Paul Gauguin, on exhibition at the Fondation Pierre Gianadda in Martigny, Switzerland.

## FRANCE

**PARIS** Hotel de Ville, tel: 01-42-76-51-53, closed Mondays. To Nov. 1: "Constant Permeke, 1886-1952." A retrospective of 43 paintings, 18 drawings and 8 sculptures, by the Belgian realist. Features marines, still lifes, portraits and, created after 1935, female nudes.

## GERMANY

**BERLIN** Neue Nationalgalerie, tel: (30) 266-2656, closed Mondays. Continuing/To Oct. 11: "Lyonel Feininger." Paintings by the artist (1871-1956) who worked in Germany until he was branded a "degenerate" artist by the Nazis.

## ITALY

**ROME** Galleria Borghese, tel: (6) 32-81-01, closed Mondays. Continuing/To Sept. 20: "Bernini and the Birth of Baroque." Sculptures by Gian Lorenzo Bernini (1598-1680).

**VENICE** Peggy Guggenheim Collection, tel: (41) 520-6288, closed Tuesdays. Continuing/To Sept. 13: "The Later Morandi: Still Lives, 1950-1964." Variations in tone, composition and viewpoints of the same subject matter.

## JAPAN

**KYOTO** National Museum of Modern Art, tel: (75) 761-4111, closed Mondays.

To Sept. 20: "Shikanozuka Oka." A celebration of the centennial of the birth of Shikanozuka Oka. More than 100 paintings, in the Pointillist technique acquired during the artist's stay in France, recreate a serene and dreamy atmosphere.

www.momak.go.jp

**TOKYO** Metropolitan Art Museum, tel: (3) 3823-6921, closed every third Monday. Continuing/To Oct. 4: "Masterworks From the Cammen Thyssen-Bornemisza Collection." Approximately 100 paintings on loan from the Madrid collection. The works cover European and American painting from the 18th century to the beginning of the 20th century.

## SINGAPORE

**Singapore Art Museum**, tel: 332-3222, closed Mondays. Continuing/To Sept. 13: "The Origins of Modern Art in France, 1880-1939." More than 70 paintings and sculptures by French impressionist, Postimpressionist, Fauvist and surrealist artists.

## SWEDEN

**STOCKHOLM** Moderna Museet, tel: (8) 5195-5200, closed Mondays. To Nov. 15: "The Desiring Eye." A survey of the development of photography from the 1840s to the 1990s with more than 200 works by Julia Margaret Cameron, Nadar, Roger Fenton, Man Ray, Paul Strand and Ansel Adams.

## SWITZERLAND

**MARTIGNY** Fondation Pierre Gianadda, tel:

(77) 722-3878, open daily. Continuing/To Nov. 22: "Paul Gauguin, 1848-1903." A retrospective of 120 lesser-known paintings, works on paper and woodcuts by the French artist.

## UNITED STATES

**DETROIT** Detroit Institute of Arts, tel: (313) 833-7900, closed Mondays and Tuesdays. To Oct. 18: "The Invisible Made Visible: Angels From the Vatican." Paintings, sculptures, tapestries, liturgical vessels and vestments dating back to the 9th century B.C., depict angels as envisioned by Raphael, Guido Reni, Fra Angelico and Dali.

**NEW YORK** Museum of Modern Art, tel: (212) 708-6400, closed Wednesdays. Continuing/To Oct. 13: "Bonnard." Nearly 100 landscapes, still lifes, interiors as well as the celebrated bath paintings, by the French painter (1867-1947).

**SOLOMON R. GUGGENHEIM Museum**, tel: (212) 423-3500, closed Thursdays. Continuing/To Sept. 20: "The Art of the Motorcycle." An installation of more than 100 motorcycles by Frank Gehry.

**SAN FRANCISCO** San Francisco Museum of Modern Art, tel: (415) 367-4000, closed Wednesdays. To Dec. 1: "Alexander Calder, 1898-1978." A demonstration of the range of the

artist's creativity: minute wire sculptures, monumental stabiles, lesser-known wooden sculptures, paintings in the style of the Ashcan School as well as works on paper and jewelry.

## CLOSING SOON

**AMSTERDAM** Sept. 7: "Wilhelm Hammerhoi, 1864-1916." Danish Painter of Solitude and Light." Guggenheim Museum, New York. Sept. 6: "Sir Edward Burne-Jones." Metropolitan Museum, New York.

**ASA** Sept. 6: "The Grand Chinese Cultural Exhibition Encore." Building 63, Seoul. Sept. 6: "North Asian Bernal." Taipei Fine Arts Museum, Taipei.

**EUROPE** Sept. 6: "Antoni Tàpies: Paintings, Sculptures and Drawings, 1951-1997." Kunsthalle Vienna, Austria. Sept. 6: "Patrick Heron." Tate Gallery, London.

**SEP. 6:** "From Durer to Rauschenberg: A Quintessence of Drawing." Deutsche Guggenheim, Berlin. Sept. 6: "The Influence of Italy on Dutch and Flemish Art of the 17th Century." Ulster Museum, Belfast.

**HUNGARIAN AUTUMN FESTIVAL**

16. October - 1. November

Highlights:

26. October / Trófi  
Body Body Tattoo (Hungary) Dance Theatre, Poetry & Speeches

29. 31. October / Thalia Theatre  
György Ligeti: Grand Harsh (Hungarian premiere)

29-31 October / Trófi  
Pierre-Paul Savoir: Dance, Poles (multimedia dance performance)

16 October - 22 November / Art Gallery  
Hájos Erőss and the Ludvig Group (exhibition)

1 November / National Theatre  
Contemporary Folk Dance Theatre

Tickets available: Fortissimo Ticket Office  
Tel: Fax: 00 36 1 262 3442

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Germany	011-49-1800-451-4511	1800	451-4511
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Bangladesh	011-88-1800-451-4511	1800	451-4511
Sri Lanka	011-94-1800-451-4511	1800	451-4511
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Malaysia	011-60-1800-451-4511	1800	451-4511
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Thailand	011-66-1800-451-4511	1800	451-4511
Philippines	011-63-1800-451-4511	1800	451-4511
Indonesia	011-62-1800-451-4511	1800	451-4511
Brazil	011-55-1800-451-4511	1800	451-4511
Argentina	011-54-1800-451-4511	1800	451-4511
Chile	011-56-1800-451-4511	1800	451-4511
Colombia	011-57-1800-451-4511	1800	451-4511
Venezuela	011-58-1800-451-4511	1800	451-4511
Peru	011-51-1800-451-4511	1800	451-4511
Ecuador	011-59-1800-451-4511	1800	451-4511
Guatemala	011-502-1800-451-4511	1800	451-4511
Costa Rica	011-506-1800-451-4511	1800	451-4511
Panama	011-507-1800-451-4511	1800	451-4511
Honduras	011-504-1800-451-4511	1800	451-4511
Nicaragua	011-505-1800-451-4511	1800	451-4511
El Salvador	011-503-1800-451-4511	1800	451-4511
Jamaica	011-1-800-451-4511	1-800	451-4511
Trinidad and Tobago	011-1-800-451-4511	1-800	451-4511
Bahamas	011-1-800-451-4511	1-800	451-4511
Cuba	011-1-800-451-4511	1-800	451-4511
Dominican Republic	011-1-800-451-4511	1-800	451-4511
Haiti	011-1-800-451-4511	1-800	451-4511
Guinea	011-224-1800-451-4511	1800	451-4511
Sierra Leone	011-232-1800-451-4511	1800	451-4511
Liberia	011-231-1800-451-4511	1800	451-4511
Ivory Coast	011-229-1800-451-4511	1800	451-4511
Ghana	011-233-1800-451-4511	1800	451-4511
Senegal	011-221-1800-451-4511	1800	451-4511
Mali	011-223-1800-451-4511	1800	451-4511
Niger	011-227-1800-451-4511	1800	451-4511
Chad	011-235-1800-451-4511	1800	451-4511
Sudan	011-249-1800-451-4511	1800	451-4511
Egypt	011-20-1800-451-4511	1800	451-4511
Yemen	011-967-1800-451-4511	1800	451-4511
Oman	011-968-1800-451-4511	1800	451-4511
UAE	011-971-1800-451-4511	1800	451-4511
Qatar	011-974-1800-451-4511	1800	451-4511
Bahrain	011-973-1800-451-4511	1800	451-4511
Kuwait	011-965-1800-451-4511	1800	451-4511
Saudi Arabia	011-966-1800-451-4511	1800	451-4511
Israel	011-972-1800-451-4511	1800	451-4511
Jordan	011-962-1800-451-4511	1800	451-4511
Lebanon	011-961-1800-451-4511	1800	451-4511
Syria	011-963-1800-451-4511	1800	451-4511
Turkey	011-90-1800-451-4511	1800	451-4511
Greece	011-30-1800-451-4511	1800	451-4511
Bulgaria	011-359-1800-451-4511	1800	451-4511
Romania	011-40-1800-451-4511	1800	451-4511
Poland	011-48-1800-451-4511	1800	451-4511
Czech Republic	011-42-1800-451-4511	1800	451-4511
Slovakia	011-421-1800-451-4511	1800	451-4511
Hungary	011-36-1800-451-4511	1800	451-4511
Croatia	011-385-1800-451-4511	1800	







## Boom in Natural Gas Fuels Caribbean Tiger

### Tiny Trinidad and Tobago Attracts Abundant Investment in Its Energy

By Larry Rohrer  
New York Times Service

PORT OF SPAIN, Trinidad and Tobago — The flights coming in from the United States are so packed with energy and chemical company executives hungry for a piece of the action here that reservations are hard to come by. Almost weekly, it seems, the government has some natural gas find or new factory project to announce.

While the rest of the English-speaking Caribbean worries about making ends meet, this twin-island nation, almost evenly divided between citizens of African and Indian descent, is experiencing a burst of investment and growth. Thanks to the belated realization that its substantial natural gas reserves may prove to be even more valuable than its dwindling oil, Trinidad is rapidly emerging as the region's foremost economic success story.

Since the beginning of the boom less than five years ago, the 50 American companies now operating here have invested more than \$4 billion, a remarkable figure in a country with only 1.3 million people. Seeking to take advantage of abundant energy supplies, petroleum, chemical and steel companies from Britain, Canada, Germany, India, Norway and Spain are also flocking here.

In the process, "this country is becoming industrialized," and turning into a Caribbean tiger, said Krishna Persad, a consultant. "If only 50 percent of what is being talked about actually comes to pass, you're going to be seeing a Singapore in the Western Hemisphere."

But as government officials here acknowledge, they must also resist the temptation to spend too much too soon and risk overheating the economy. Administering a bonanza, while more pleasant than coping with scarcity, offers hazards of its own. For confirmation of that, Trinidad need only look at its own recent past, or that of neighboring Venezuela, where billions of dollars in oil profits are said to have been squandered or pilfered.

At the moment, though, "this country is booming, going gangbusters, and the boom is nowhere near peaking," a

diplomat here said. In 1997, the economy grew by 4 percent. Inflation dropped to 3.8 percent, down from 13 percent in 1993. Income per capita has risen to \$4,230 from \$3,900 in 1993.

Fueling the boom are Trinidad's proven natural gas reserves of more than 21 trillion cubic feet, up from 8.9 trillion just five years ago.

David Wight, president of the Amoco Energy Company of Trinidad and Tobago, the local subsidiary of the American oil and gas giant, said that figure was likely to double yet again, while Mr. Persad predicted that reserves could eventually reach 75 trillion cubic feet. "Whatever the numbers turn out to be, they are big, comparable to anywhere in the world," Mr. Wight said.

The natural gas discoveries have coincided with a downturn in oil production. Output has dropped from a peak of 225,000 barrels a day in the late 1970s, when oil accounted for 80 percent of the country's export income, to 130,000 barrels.

But with oil prices in decline, said Finbar Gangar, minister of energy and energy industries, "we have consciously diversified our economy away from oil." The strategy of the government of Prime Minister Basdeo Pandey, which took power in 1995, has been "to widen and deepen our industrialization thrust," Mr. Gangar said.

As a result, this nation, just off the coast of Venezuela, is already the second-largest exporter of ammonia and methanol in the world. By the end of next year, when the last of five plants built here during the past five years comes on stream, it is expected to become the largest exporter of both.

In addition to the methanol and ammonia complexes, plants that will produce urea, ethylene, fertilizers and other industrial chemicals are completed or under construction, many of them at the Point Lisas Industrial Estate on the coast south of here. The Indian steel company Ispat International already has one plant here and has committed to another, government officials said. Negotiations are under way with Brazilian interests to refine iron ore mined in the Amazon and with other foreign investors interested in building an aluminum smelter.

"Brazil, Guyana, Jamaica and Suriname have no shortage of supply of the raw materials required" for these plants, Mr. Gangar said. "It's a welcome bit of synergy."



GIVING NO GROUND — A South Korean worker yelling at riot policemen who stormed a Mando car parts factory on Thursday to end a strike there that began last month over scheduled mass layoffs.

## Canada and Latin America Suffer

By Steven Pearlstein  
Washington Post Service

What started out a year ago as a financial market crisis in Asia has turned into a full-blown economic downturn in the economies of Canada and Latin America.

Over the last month, currencies and stock prices have fallen sharply while rising interest rates have slammed the brakes on economic growth. And with consumer and investor confidence evaporating by the day and unemployment rates beginning to rise, voters are beginning to balk at pushing ahead with market-oriented economic reforms.

In Mexico, stock prices are down 40 percent since mid-July, and the peso is down 13 percent against the dollar. So unsettled is the financial situation that Mexico City auto dealerships this week stopped making car loans — in a country that had been the fastest-growing market for the U.S. Big Three automakers.

In Venezuela, meanwhile, the fallout from the decline in the price of crude oil, the country's key export, has suddenly emptied government coffers and brought the economy to a standstill.

The crisis has already driven bank lending rates above 70 percent, cost 12,000 auto workers their jobs and this week triggered a strike by many of the country's physicians.

Fearing economic slowdown and an eventual devaluation of the Venezuelan bolivar, now pegged uncomfortably to the dollar, General Motors Corp. recently delayed plans to build a new \$100 million painting plant.

Remarkably, eight months ago the Venezuelan economy was growing at an annual rate of more than 6 percent. Analysts now say they believe it is shrinking at the annual rate of 1 to 2 percent.

"In my 30 years in Latin America, this is the first time I've seen a country

Despite its progress, Mexico is dragged into the turmoil. Page 14.

go from boom to bust without some warning in between," said Donald McBride, president of Madosa, a Venezuelan appliance manufacturing company.

In Madosa's case, the path from boom to bust has meant that sales have fallen by half and nearly a third of its 2,100 employees have been laid off.

Things are better — but not much better — in Brazil, Latin America's largest economy. In the last month, Brazil's stock market lost all the gains it made in the previous two years, when it had outperformed every exchange except the one in Moscow.

More than \$10 billion flowed out of the country during the month, as investors — some foreigners but Brazilians as well — sought the safety of other markets and currencies.

At his office in Sao Paulo this week, Segio Haberfeld, chairman of Dixie Toga SA, a large packaging concern, said he had decided to put much of his company's free cash into dollars. Although the Brazilian government was able to tame the country's infamous hyperinflation by roughly pegging the

value of its currency, the real, to the dollar, the price of that peg has been to drive interest rates so high that it threatens to throw Brazil into a deep recession.

That is why Mr. Haberfeld, like many in Brazil, fears the government eventually will have no choice but to bow to market pressures and allow a devaluation.

"We don't necessarily predict a devaluation, but, as a company, we have got to protect against it," Mr. Haberfeld said. "You've got to spot a crisis before it drains your company — and Brazilian companies have learned this the hard way through the years."

It is that kind of defensive withdrawal by businesses and investors that now threatens to become a self-fulfilling prophecy in Brazil and turn Latin American into the next trouble spot on the world economy.

"As we see it, there is no way that Brazil, Mexico and Venezuela can now avoid facing a substantial and painful slowdown," said John Lipsky, chief global economist at Chase Manhattan Bank. "And that can't but help to have an impact on the United States."

Because of secondary impacts from the Asian crisis, Mr. Lipsky and his Chase colleagues now predict that the U.S. economy will not grow in the second half of 1998.

Mr. Lipsky and other economists say that the primary channel by which the Asian crisis has crossed the Pacific has been commodity prices. With Asian economies contracting, world demand

## Fear of Cut In Rates Hurts Dollar

### U.S. Currency Reaches 10-Month Low vs. Mark

Compiled by Our Staff From Dispatches

NEW YORK — The dollar tumbled against major currencies on Thursday, falling to a 10-month low versus the mark, as U.S. stocks fell and concern mounted that the Federal Reserve Board may cut interest rates to calm markets.

"Investors are starting to think, if equity markets remain under pressure, then consumer confidence is going to take a hit and the U.S. economy is going to slow," said Jay Bryson, international economist at First Union Corp. "That may lead to a Fed ease."

The dollar was quoted at 4 P.M. at 1.7285 Deutsche marks from 1.7480 DM the day before. It fell to 134.300 yen from 137.770 yen, to 5.8020 French francs from 5.8635 francs and to 1.4187 Swiss francs from 1.4426 francs.

The British pound rose to \$1.6747 from \$1.6698.

Dealers said expectations that German rates would remain unchanged in the months ahead while U.S. rates fall also weighed on the dollar. The German central bank left key rates unchanged at its council meeting Thursday.

"I think it's very unlikely Germany will bring rates down," said John Parker at Pavilion Asset Management in Brighton, England.

Investment funds have also continued to sell dollar assets to offset their heavy losses in Russia and in other emerging markets, dealers said.

"The dollar is on the run," said Fernando Medina, senior currency trader at Banco Atlantico. "Investors are unwinding a lot of positions. There are a lot of losses in Russia, and those losses have to be covered somehow."

Eisuke Sakakibara, Japan's vice finance minister for international affairs, has warned Japanese investors holding foreign assets to be wary of the possibility of the yen strengthening.

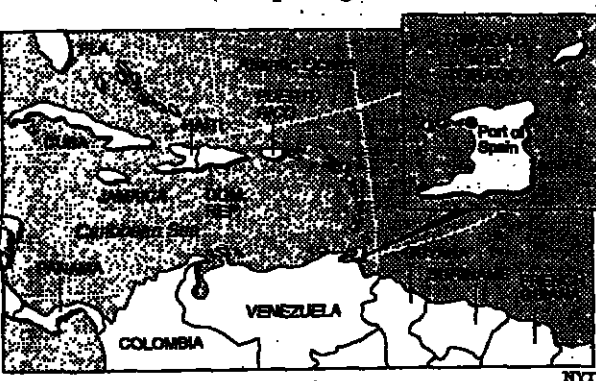
Haruhiko Kuroda, director general of the Finance Ministry's international bureau, said Japan was ready to buy yen whenever necessary.

"Sakakibara has said that the best time to intervene is when the dollar starts to retreat on its own by market forces," Mr. Medina said. "If there was an effective time to intervene, it would be now."

Also helping the yen are Japanese institutional investors who, before the end of the first half of the financial year later this month, have been selling dollars for yen to buy Japanese stocks.

Currency dealers will also be watching a meeting Friday between U.S. Treasury Secretary Robert Rubin and Finance Minister Kiichi Miyazawa of Japan in San Francisco. The two, along with the Fed chairman, Alan Greenspan, will discuss Japan's economy and progress in resolving its bad-loan crisis.

(Bloomberg, Bridge News)



See TWIN, Page 14

## Hold On to Your Stocks Even Though the Market Is Taking a Wild Ride

WASHINGTON — When you heard that the market was plunging toward oblivion Monday, what was your first impulse?

To sell? To buy? To shrug it off?

It is hard to believe there is an investor alive who does not feel panic on a day when the Dow Jones industrial average drops 512 points, when a safe haven such as Coca-Cola Co. loses more than 10 percent of its value and when the hottest stock in the market, Dell Computer Corp., falls \$18.75 a share.

But it is almost always a mistake to sell in a panic. In fact, it is almost always a mistake to sell, period.

The main reason is simple, but it is tough to grasp.

At the end of any trading session, stocks are, for the most part, fully and correctly priced. So, at the close Monday, after falling 512 points, the Dow reflected the value that all investors, using all available knowledge, placed

on the 30 companies that make up the average.

The next day begins with a clean slate. Certainly, new information comes out to affect the prices of shares, but you cannot possibly know whether that new information will be good or bad. So it stands to reason that, going forward from any new starting point, stocks will rise at something close to their historical average — or 11 percent annually.

Look at what happens in practice: Stocks recover even from steep drops fairly quickly.

The last serious bear market occurred between Aug. 25 and Dec. 4, 1987, when the Standard & Poor's 500-stock index lost 33.5 percent of its value — the equivalent of a decline in the Dow from the recent market peak of 9,338 to 6,210. The S&P recouped that loss by July 1989.

Even more important: T. Rowe Price Associates Inc. examined three scenarios in response to that market decline. In each case, an investor started with \$10,000 and then added \$100 a month.

In the first scenario, the investor simply stays in the stock market through

just \$30,000. The investor who switched his stocks into cash but then put new money into stocks had \$65,000.

The worst bear market since the Great Depression occurred between December 1972, and September 1974, when

It is "market timing" — you are predicting that the price of your stock will continue to fall, rather than doing what stocks traditionally do, which is rise at an average annual rate of 11 percent.

"The overwhelming evidence," writes Charles Ellis in his excellent 1975 book, "Winning the Loser's Game," "shows that market timing is not an effective way to increase returns for one hour but commensurate on average and over time, it does not work."

Mr. Ellis cites a study of 100 pension funds that found that "not one... improved its rate of return as a result of its efforts at timing."

It is hard enough to make one investment timing decision: when to buy a stock in the first place. It is impossible to make three: when to buy, when to sell and when to buy again.

Selling is expensive. You have to pay

commissions, and you lose a bit on the spread between the stock's bid and asked price. More important, you get socked with capital-gains taxes, which in most cases are 20 percent federal plus whatever your state rate might be.

Stocks are the best investment. When you sell, you need to put the proceeds somewhere. But what better place can you find than stocks? There is none over the long term. You should never have been invested in stocks in the first place if a decline in the market is enough to push you into cash or bonds.

Mr. Ellis writes: "If you do not need to sell" — that is, if you have no pressing personal need for cash — "you really shouldn't much care about the nominal fluctuations of stock prices. They may be interesting, but they aren't any more relevant to you than is stormy weather in faraway places or low tide on the high seas."

Exactly.

## CURRENCY & INTEREST RATES

Cross Rates									
	\$	£	DM	FF	Yen	Sc	Sw	DK	Nor
Australia	1.075	0.73	1.38	1.38	1.07	1.07	1.07	1.07	1.07
Canada	0.71	0.49	0.91	0.91	0.71	0.71	0.71	0.71	0.71
France	1.36	0.93	1.36	1.36	1.07	1.07	1.07	1.07	1.07
Germany	1.36	0.93	1.36	1.36	1.07	1.07	1.07	1.07	1.07
Italy	1.36	0.93	1.36	1.36	1.07	1.07	1.07	1.07	1.07
Japan	1.07	0.73	1.38	1.38	1.07	1.07	1.07	1.07	1.07
Netherlands	1.36	0.93	1.36	1.36	1.07	1.07	1.07	1.07	1.07
Spain	1.36	0.93	1.36	1.36	1.07	1.07	1.07	1.07	1.07
Sweden	1.36	0.93	1.36	1.36	1.07	1.07	1.07	1.07	1.07
Switzerland	1.36	0.93	1.36	1.36	1.07	1.07	1.07	1.07	1.07
UK	0.71	0.49	0.91	0.91	0.71	0.71	0.71	0.71	0.71
US	1.07	0.73	1.38	1.38	1.07	1.07	1.07	1.07	1.07

Key Money Rates									
	1-month	3-month	6-month	9-month	12-month	15-month	18-month	21-month	24-month
US	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
UK	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
DM	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
FF	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Yen	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Sc	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Sw	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
DK	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Nor	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Forward Rates									
	30-day	60-day	90-day	120-day	150-day	180-day	210-day	240-day	360-day
US	1.075	1.075	1.075	1.075	1.075	1.075	1.075	1.075	1.075
UK	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71	0.71
DM	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36
FF	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36
Yen	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07
Sc	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07
Sw	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07
DK	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07
Nor	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07

## Brazil and Venezuela Hit

NEW YORK — The leading stock indexes in Brazil and Venezuela tumbled by more than 7 percent Thursday after Moody's Investors Service Inc. cut its ratings on the countries' debts, citing eroding investor confidence in developing markets.

Brazil's Bovespa index lost 8.62 percent, to 6,218.20, while the Venezuela Stock Market index fell 7.53 percent, to 2,736.53.

Moody's cut the ceiling for Brazil's foreign-currency bonds to B2 from B1. The B category at Moody's indicates little confidence that an issuer can pay its obligations over the long term. The reduction means that all bonds issued in Brazil will be rated B2 or lower.

The ceilings on foreign-currency bank deposits and local currency government bonds were cut even lower, to Caa1, a rating that means the obligations are liable to default.

Moody's said that until recently, foreign investment had allowed Brazil to keep interest rates relatively high while allowing the government to spend without much restraint. With Russia's default last month, investors have been increasingly unwilling to lend money to developing countries.

For Venezuela, Moody's cut the ceiling on foreign-currency bonds to B2 and foreign-currency bank deposits to Caa1.

The ratings agency said Venezuelan authorities were unlikely to succeed in current efforts to control the budget deficit, reverse a fall in foreign-currency reserves and control inflation.

### INDIA FOCUS FUND

58, Boulevard Grande-Duchesse, L-1330 Luxembourg  
R.C. Luxembourg B 47288

NOTICE

Notice is hereby given that an extraordinary general meeting of the Shareholders of India Focus Fund will take place at Luxembourg at the office of the Fund's custodian, Citibank (Luxembourg) S.A., 58, Boulevard Grande-Duchesse, Luxembourg, on September 14, 1998 at 10:00 a.m. to consider and vote on the following agenda:

- Liquidation of the Company in accordance with Article 59, third paragraph, of the Law of August 10, 1915;
- Appointment of Mr. John Allet as liquidator and determination of his powers and remuneration;
- Suppression of the issue, redemption and conversion of shares of India Focus Fund.

For this meeting, the projected resolutions require a quorum of 50% of the outstanding shares and the approval by the greater of 2/3 of the shares represented at such meeting.

The Board of Directors of the SICAV considers that the proposal to liquidate the Fund is in the interests of the Shareholders and therefore recommends to the Shareholders to vote in favour of the resolutions to be proposed at the meeting.

The Board of Directors



## THE AMERICAS

## Fears of World Slowdown Take Toll on Wall Street

Compiled by Our Staff From Dispatches

**NEW YORK** — Stocks fell Thursday, led by banks and companies whose profits depend on emerging markets, as concern that economies are slowing sent shares lower around the world.

The Dow Jones industrial average closed 100.15 points lower at 7,682.22, while the Standard & Poor's 500 index ended down 8.22 points at 982.26.

Declining issues outnumbered advancing ones by a 2-to-1 ratio on the New York Stock Exchange.

Investors continued to move money into the safety of the U.S. Treasury bond market. The price of the benchmark 30-year issue rose 14/32 point, to 102 30/32, sending the

yield down to 5.30 percent from 5.34 percent Wednesday.

"There's not a whole lot of good things that are going to happen in the near term," said Chuck Soderstrom, managing director of U.S. equity trading for J.P. Morgan Securities Inc. "People are starting to gear up for a rough six months."

Financial companies have been disclosing the extent to which Russia's tumbling currency and inability to pay back its debt will bite into their profits. American Express was the biggest loser on the Dow, falling 6 1/4 to 77.

Chase Manhattan dropped 5 9/16 to 49 5/16 and Citicorp, which also has heavy Latin American loan exposure, fell 10 1/4 to 98 1/4.

Consumer companies, which rely on foreign markets for their profits, also fell. Coca-Cola declined 2 3/16 to 62 1/16, Procter & Gamble lost 1 15/16 to 76 1/4 and General Electric dropped 2 9/16 to 77 11/16.

Analysts are lowering their forecasts for profit growth this year

## U.S. STOCKS

among S&P 500 companies to 5.3 percent from 5.7 percent, as forecasts for bank earnings shrink, according to the research company First Call Corp. Economic reports released Friday contained signs that the U.S. economy was starting to feel the pinch of a world economic slowdown.

The National Association of Pro-

ducing Management's index of non-manufacturing business activity — which mostly covers services — fell to 52.0 in August after dropping to 51.5 in July. The index showed slower growth even in bulwarks of the U.S. economy, such as construction and real estate.

Growth in American workers' productivity also slowed in the second quarter, the Labor Department said. Productivity of nonfarm, nonsupervisory workers rose at a 0.1 percent annual rate, the smallest gain in nearly two years.

U.S. retailers, meanwhile, reported weak sales for August, a signal of slowing consumer spending.

May Department Stores said sales slipped 0.7 percent in the month, and

its stock fell 1 7/16 to 57 1/4. Federated Department Stores stock fell 3/4 to 43 3/4 after it said sales fell 1.3 percent.

Dell Computer was the most actively traded U.S. stock, falling 2 3/16 to 108 1/16. Technology stocks have been a hotbed of volatility as investors weighed their long-term profit potential against a slowdown in demand from Asia.

But Intel rose 1 3/4 to 76 1/4 as investors sought out companies that promise to meet or exceed earnings estimates. Intel, the world's largest computer-chip maker, is expected to post strong profit increases. "The probability of a positive surprise is quite high," said Mark Edelman, an analyst at Morgan Stanley Dean Witter & Co. (Bloomberg AP)

## RISK: Canada and Latin America Ail

Continued from Page 13

for basic raw materials plummeted even as supplies were still on an upward growth curve.

The result has been a steep drop in world prices: 14 percent for gold, 26 percent for copper, 33 percent for oil, 41 percent for top-grade construction timber, 56 percent for wheat.

To varying degrees, all the major countries of Latin America rely on commodity exports; Venezuela and Mexico on oil, Chile on minerals, Argentina on wheat. But the fall in commodity prices has also delivered a triple-whammy to Canada, whose commodities account for 40 percent of all its exports.

The most direct impact of the commodity price decline has been a quick 10 percent drop over the summer in the value of the Canadian dollar, known affectionately as "the

loonie," after the bird that graces one side of the copper coin.

Meanwhile, prices have fallen 30 percent on the Toronto stock exchange, where the major stock indexes are dominated by large oil, timber and mining companies whose profits were squeezed by falling commodity prices.

As in other countries, the stock slide was accelerated by the fall in the loonie as some investors, Canadian and foreign, moved their money out of Canadian stocks and into American stocks and bonds.

The third blow came last week when, in an effort to bolster the loonie and restore the confidence of international investors, the Bank of Canada raised interest rates a full percentage point. Within days, most forecasters had lowered their estimates of economic growth for the United States' largest trading partner from 3 percent to 2 percent.

## GM's U.S. Sales Decline by 36%

Bloomberg News

**DETROIT** — General Motors Corp. said Thursday that its August sales fell 36 percent in the United States, more than expected, as it struggled to replenish inventories on dealer lots after a crippling strike.

The world's largest automaker said that sales of pickup trucks, minivans and sport-utility vehicles fell 35 percent from August last year to 114,301. Car sales fell 37 percent to 156,876. Analysts had expected GM sales to fall 23 percent.

Meanwhile, the rest of the industry cited stronger-than-expected demand. Ford Motor Co. Thursday reported an 8.4 percent rise in August sales, while Chrysler Corp. on Tuesday reported a 3.6 percent gain.

## Mexico's Markets Slump Despite Economic Progress

By Julia Preston

New York Times Service

**MEXICO CITY** — Finance Minister Jose Angel Gurría runs an economy that is growing vigorously, with most exports surging and thousands of new jobs opening every day. But ask him whether the Mexican stock market will rise or plunge tomorrow and he shakes his head in bewilderment.

"Ask the Duma; ask Mr. Chernomyrdin," Mr. Gurría said in an interview Tuesday, referring to President Boris Yeltsin's embattled choice for prime minister and the house of the Russian Parliament that has so far refused to approve him.

"It has nothing to do with Mexico," he said. "That is what is very dramatic. Sometimes there is this feeling that there's not very much you can do. Basically, you are in the presence of forces you can't control."

"What worries me," Mr. Gurría said, "is who is running this show. There is an enormous vacuum of leadership worldwide. Where are the consensus-building and decision-making mechanisms to face situations like Russia and Japan? And how do you reward countries that perform well, like ours?"

Mr. Gurría vented frustration felt by leaders of several Latin American countries — including Brazil, Chile and Argentina — that took tough, often unpopular measures in recent years to stabilize their economies but have been dragged into the global market turmoil nonetheless.

"There is a lack of differentiation," Mr. Gurría said, lamenting that international investors had sold Latin securities in response to worries generated by Russia and Japan, without bothering to examine conditions in individual nations of the region.

Mr. Gurría, who spoke in English, said that beneath wavering Mexican markets lay a sound economy that expanded 5.4 percent in the first half of this year. Despite a big drop in petroleum prices, the Mexican government, which relies on oil for a third of its revenue, posted a small surplus for the first half of the year.

Mexico's foreign debt, the finance minister said, would remain well under control even if international markets were unsteady into next year. Mexico easily refinanced \$4.5 billion in capital payments it owed this year, and those due in 1999 are smaller, at \$1.4 billion.

Mr. Gurría said that prolonged high interest rates could deal new blows to Mexico's banking system.

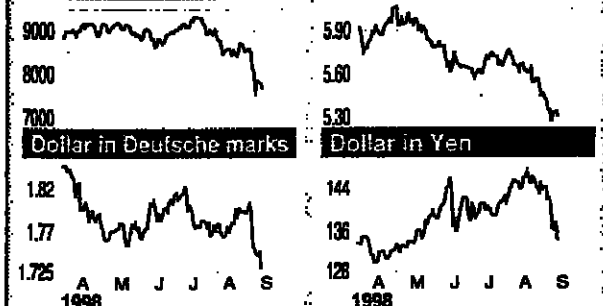
## IMF Aid Rebuffed

Latin American countries are not looking for financial aid from the International Monetary Fund, Mr. Gurría said in Washington as he entered a meeting with top officials of the United States, IMF and other Latin American countries. Bloomberg News reported.

"We didn't come to ask for money, we didn't come to organize a fund for Latin America," Mr. Gurría said. The meeting was called to discuss instability in international currency markets.

## Investor's America

The Dow 30-Year T-Bond Yield



Exchange	Index	Thursday	Previous	Change
U.S.	The Dow	7682.22	7782.37	-100.15
U.S.	S&P 500	982.26	990.48	-8.22
U.S.	S&P 100	481.35	489.81	-8.46
U.S.	NYSE Composite	490.89	499.43	-8.54
U.S.	Nasdaq Composite	1671.36	1688.50	-17.14
U.S.	AMEX Composite	588.76	592.82	-4.06
Toronto	TSE Index	5714.29	5850.00	-135.71
Sao Paulo	Bovespa	5212.75	5300.00	-87.25
Mexico City	Bolsa	3182.39	3175.00	+7.39
Buenos Aires	Merval	567.35	557.00	+10.35
Santiago	IPSA General	3207.48	3200.00	+7.48
Caracas	Capital General	2725.00	2725.00	0.00

Source: Bloomberg, Reuters

International Herald Tribune

Very briefly:

• Metro-Goldwyn-Mayer Inc. laid off 80 employees, and warned that more job cuts could be on the way. The movie studio's majority shareholder, Kirk Kerkorian, has pledged to increase his investment in MGM by as much as \$500 million by backing an offering that will allow existing shareholders to buy additional stock at a discount.

• Campbell Soup Co.'s fourth-quarter profit fell 5.2 percent, to \$182 million, as sales dropped 4.4 percent, to \$1.3 billion. The company said that if it excluded one-time charges and loss of revenue from operations sold during 1998, it would have had a double-digit earnings increase.

• Diebold Inc. has bought a 50 percent interest in DPB SA, a transaction delivery systems manufacturer based in Buenos Aires. Financial terms were not disclosed.

• Robotic Vision Systems Inc. is cutting 140 jobs, or 16 percent of its work force, amid weak demand from the semiconductor industry. The company, which makes automated vision systems for inspection and measurement, cut 150 jobs in June.

• The Chicago Board of Trade is scuttling a deal that would have merged its back-office operations with those of the Chicago Mercantile Exchange. AP, Reuters

## The Trib Index

Prices as of 4:00 P.M. New York time.

	Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	171.50	171.50	-1.71	-0.99	-0.35
Regional Indexes					
Asia/Pacific	73.29	73.29	+1.03	+1.43	-23.71
Europe	208.70	208.70	-3.21	-1.51	+8.11
N. America	226.74	226.74	-1.46	-0.64	+4.88
S. America	81.27	81.27	-5.83	-6.48	-48.77
Industrial Indexes					
Capital goods	228.82	228.82	-2.92	-1.26	+10.77
Consumer goods	215.24	215.24	+0.69	+0.32	+2.63
Energy	175.71	175.71	+0.18	+0.10	-9.87
Finance	116.57	116.57	-3.46	-2.98	-5.20
Miscellaneous	129.54	129.54	-0.77	-0.59	-13.57
Raw Materials	158.08	158.08	-2.84	-1.84	-5.48
Service	186.48	186.48	-2.06	-1.09	+6.98
Utilities	151.34	151.34	-0.62	-0.41	-9.31

The International Herald Tribune World Stock Index tracks the U.S. dollar value of 280 internationally investable stocks from 25 countries. Compiled by Bloomberg News.

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AMEX

Thursday's 4 P.M. Close

The 200 most traded stocks of the day

Up to the closing on Wall Street.

The Associated Press

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## ASIA/PACIFIC

## Korea Giants to Merge Units

By Don Kirk  
International Herald Tribune

SEOUL — Troubled South Korean conglomerates, or *chaebol*, announced a series of divisional mergers Thursday, but analysts said they fell far short of the government's goal of ridding industries of unprofitable entities.

Potentially the most significant deal called for Hyundai Electronics & Industries Co., the country's third-largest semiconductor manufacturer, to merge its semiconductor unit with LG Semicon Co., ranked second after Samsung Electronics.

Executives at the Hyundai and LG parent companies, South Korea's largest and fourth-largest *chaebol*, said the merged operation would equal or surpass Samsung as the global leader in semiconductor production, capable of producing more than 300,000 dynamic random-access memory chips a month.

The future of the deal was cast in doubt, however, when executives of both parent companies said they had not yet agreed on terms for exchange of equity. Hyundai was believed to want to assume basic control, which LG was reluctant to relinquish.

The companies, with debt-to-equity ratios of about 5 to 1, employ about 15,000 people in their semiconductor plants — 8,000 at Hyundai and 7,000 at LG — although LG has a larger capacity.

"The thing that still needs to be addressed is, will Korea shed production capacity?" said Hank Morris, an economic consultant here. "I don't believe the objective is to achieve capacity."

Sohn Byung Doo, deputy chairman of the Federation of Korean Industries, predicted that

the series of mergers announced Thursday would result in combined savings of \$15 billion over five years. Federation officials said more entities were expected to negotiate mergers.

Jwa Sung Hee, president of the Korea Economic Research Institute, disputed such predictions.

"I don't have high expectations in terms of efficiency or economic gains," he said. "The private sector has come up with this plan only to comply with the government's intentions. I am pessimistic about the prospects."

The news media were also skeptical. "Instead of swapping businesses altogether, the best they came up with was the establishment of consortiums and mergers among competitors," a commentary carried by the Yonhap news agency said.

Hyundai figured in the shuffling more than any other *chaebol*. Hyundai Oil Co. picked up Hanwha Energy Co., a small oil company, after Hanwha failed to find a foreign buyer. The Hanwha Group, before the merger, was on the brink of bankruptcy.

Among other highlights of the mergers were the following:

• Hyundai, Samsung and Daewoo agreed to merge their aircraft parts-making units.

• Hyundai Petrochemical Co. and Samsung General Chemical Co., with refineries in the same complex, agreed to form a consortium.

• Hyundai Precision & Industries Co., Daewoo Heavy Industries and Hanjin Heavy Industries said they would form a separate unit to combine production of railroad cars. Daewoo Heavy Industries is a core company of the Daewoo Group, the third-largest *chaebol*, while

## Airbus to Drop China Venture

Agence France-Press

PARIS — Airbus Industrie and Aviation Industries of China have abandoned plans to jointly develop a 100-seater aircraft, the European aviation consortium said Thursday.

After a feasibility study of the project, in which Singapore Technologies Aerospace Ltd. and Alenia SpA of Italy were also involved, the four partners "have jointly concluded that no solid common basis was found for further developing this new aircraft," Airbus said.

But Airbus and the Chinese company would continue their cooperation "by discussing a new project," Airbus said.

An Airbus spokesman said that Airbus and Aviation Industries decided that "a brand-new 100-seater aircraft doesn't look feasible."

But the two have a "good working relationship which we want to pursue," and "are going to widen the focus of their discussions and look at other options," he said.

The new 100-seater aircraft would have involved about \$2 billion in investment, aeronautics experts said, and was designed to compete with Boeing Co.'s new B717-200.

Hanjin Heavy Industries is part of the Hanjin Group, the sixth-largest *chaebol*.

• Korea Heavy Industries, a state-run conglomerate, will acquire a unit of Hyundai Heavy Industries that makes power generators and a division of Samsung Heavy Industries that makes ship engines and boilers.

## Hong Kong Shifts the Rules

By Philip Segal  
International Herald Tribune

HONG KONG — The Hong Kong Monetary Authority, fresh from a record \$12.5 billion buying spree aimed at supporting stock prices here, declared itself exempt Thursday from rules requiring disclosure of major ownership in local companies.

The stock market regulator immediately questioned the exemption, and one leading foreign broker described the move as "ominous." Other observers said that it threatened to reignite a controversy over how far above the law the government is allowed to rise.

The monetary authority, whose buying has made the government the biggest shareholder in Hong Kong, said that it was not bound by the law that requires any party holding more than 10 percent of a company to disclose that fact.

The rule is designed to level the playing field for all investors, who can then assess the likelihood that large blocks of shares will change hands. In not sharing information that could materially affect a stock price, analysts said, the government is claiming a privileged itself.

"If they are participants in the market as are other investors, be they institutional or private, then I think they should be subject to the same rules," Robert Sassoon, head of research at SG Securities, said. "Once you start having one rule for one group and another rule for another, it can become messy."

But Paul Brown, a government spokesman, said Thursday that the government was not subject to legislative measures "other than where specifically stated."

Bill Weeks, a spokesman for the Securities and Futures Commission, which regulates the stock market, said, "The commission view has always been that the law applies to everyone, including the government." The commission would be willing to hear government arguments for exemption, he said.

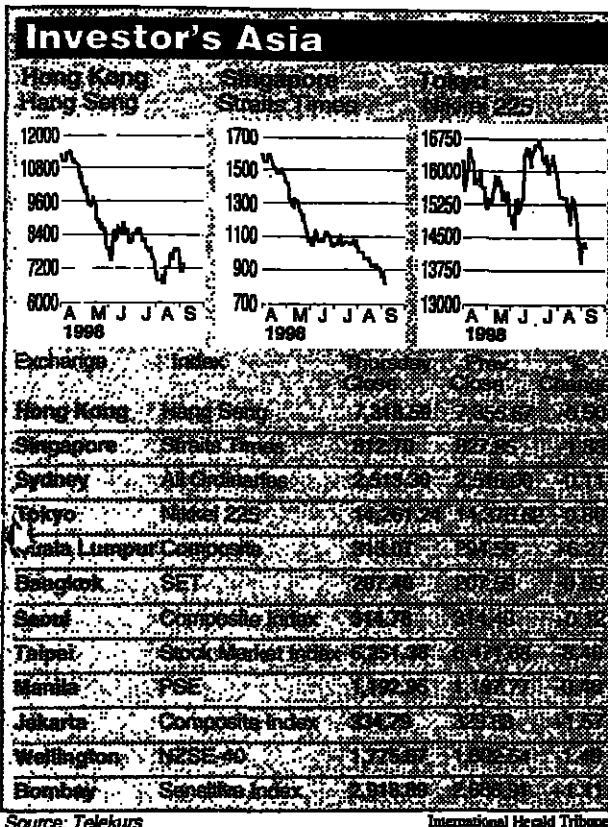
Based on the record stock market volume last Friday, brokers estimate that the monetary authority may have breached the 10 percent level in some of Hong Kong's most important companies. This week, the monetary authority confirmed that it owned almost 9 percent of the banking group HSBC Holdings Ltd., Hong Kong's largest stock. Analysts said the government made this disclosure because HSBC also is traded in London and authorities there would grant no exemption on disclosure.

A monetary authority spokesman told the South China Morning Post that disclosing share ownership might impair the authority's ability to deal with against currency speculators, who have used profits made by borrowing stocks and selling them to attack the Hong Kong dollar.

Some analysts said it was contradictory for a government to intervene and say it was doing so to protect the integrity of a free market.

"Now the situation is where 50 percent of deposits in your currency are controlled by a bank you own, Eugene Galbraith, a managing director at ABN-AMRO Asia Ltd., said. "You're a laissez-faire government, but you want the government to play ball."

He called the monetary authority's self-exemption "an ominous first response," adding: "I don't know of any market where the executive branch per se has gotten so involved."



## Very briefly:

• Matsushita Battery Industrial Co. has developed the world's thinnest lithium battery — 0.5 millimeter (less than .02 of an inch) — which is designed for use in electronic wallets, remote controls, memory cards, integrated-circuit cards and other devices.

• Daewoo Motors (India) Ltd., which is 92 percent owned by Daewoo Corp. of Korea, unveiled two new models of 19-passenger buses even as a drop in demand is forcing other commercial vehicle makers to slash production.

• Japan's nonbank lenders' debts at financial institutions fell 3.5 percent in the year ended March 31, indicating that banks are having difficulty removing bad and risky loans from their books, the think tank Teikoku Databank said.

• China's economic growth target of 8 percent for 1998 "will be achieved" in spite of floods and the Asian financial crisis, said Qiu Xiaohua, a spokesman for the State Statistics Bureau. He said the floods would cause a boom in construction as devastated towns rebuild.

Reuters, Bloomberg, AFP

## FIREWALLS: Now Undone

Continued from Page 1

the central bank has almost run out of dollars to defend the ruble, and the \$4.8 billion Western aid that was sent in July has seemed to vanish.

Newt Gingrich, the House speaker, drove the point home Wednesday in demanding that the Clinton administration explain why Congress should give \$18 billion more to the IMF. "Where has all this money gone?" he asked the Treasury secretary, Robert Rubin, in a letter.

"How much of this money has left Russia? How much of this money is in the hands of corrupt officials or in their corrupt business associates?" In Indonesia, the firewall was built of straw and was immediately ignited. Now, with a government barely hanging on, rioters targeting the Chinese minority, which brought much foreign investment into the country, and the army reeling, the IMF's program is at a virtual standstill.

And this week Malaysia became the first country to reject the IMF's advice — and Mr. Rubin's — in explicit terms, deciding to turn its back on the free market and virtually halt currency trading.

Investors have been told that the country's currency cannot be traded outside the country — all of it must be returned to Malaysia by Oct. 1 or it will be worthless.

On Wednesday, Prime Minister Mahathir Mohamad of Malaysia dismissed his presumed successor, Finance Minister Anwar Ibrahim, who has been an advocate of free-market strategies and a champion of financial modernization in Asia. Mr. Anwar's house has been cordoned off by the police, and there is

speculation that he may soon be arrested for sedition.

A senior Clinton administration official called the turn of events in Malaysia — a country where firms like Intel, Motorola and Matsushita have built huge factories — "a tragedy."

Others said it was the inevitable clash between the power of government and the power of markets, and they predicted that Mr. Mahathir's effort to isolate Malaysia from world financial markets would be a spectacular failure.

Mr. Mahathir has always ranked among the most vocal critics of what he views as Western efforts to dominate Asia, and in brighter times he was a leading advocate of promoting "Asian values." But the Asian values debate was largely about cultural and legal issues. The current argument, while couched in terms of IMF plans and currency conversions, is an offshoot of that debate. In Russia, Malaysia and Japan, the United States is insisting on reforms that would essentially give power to investors to move their money across borders at will instead of to governments.

Mr. Rubin has cast this choice in stark terms: countries that try to interfere with the freedom of markets will be cut off by international investors and starved for lack of international capital. His speeches and President Bill Clinton's stiffly worded speech in Moscow on Tuesday make it clear that the United States and the IMF will only aid countries that adopt reforms along the lines the IMF has prescribed.

"This is the first time Rubin has had to face a series of political revolts to his plans," a White House official said.



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سكاه الامل

NASDAQ

Thursday's 4 P.M.  
The 1,000 most traded National Market securities  
in terms of dollar volume, updated twice a year.  
The Associated Press

Symbol	Price	Change	Volume
IBM	125.00	+1.00	1,200,000
Microsoft	100.00	+2.00	1,100,000
Apple	75.00	+1.00	1,000,000
Oracle	60.00	+1.00	900,000
Amazon	45.00	+1.00	800,000
Google	35.00	+1.00	700,000
Yahoo	25.00	+1.00	600,000
Alibaba	15.00	+1.00	500,000
Facebook	10.00	+1.00	400,000
Twitter	5.00	+1.00	300,000

Symbol	Price	Change	Volume
Microsoft	100.00	+2.00	1,100,000
IBM	125.00	+1.00	1,200,000
Apple	75.00	+1.00	1,000,000
Oracle	60.00	+1.00	900,000
Amazon	45.00	+1.00	800,000
Google	35.00	+1.00	700,000
Yahoo	25.00	+1.00	600,000
Alibaba	15.00	+1.00	500,000
Facebook	10.00	+1.00	400,000
Twitter	5.00	+1.00	300,000

Symbol	Price	Change	Volume
Microsoft	100.00	+2.00	1,100,000
IBM	125.00	+1.00	1,200,000
Apple	75.00	+1.00	1,000,000
Oracle	60.00	+1.00	900,000
Amazon	45.00	+1.00	800,000
Google	35.00	+1.00	700,000
Yahoo	25.00	+1.00	600,000
Alibaba	15.00	+1.00	500,000
Facebook	10.00	+1.00	400,000
Twitter	5.00	+1.00	300,000

Symbol	Price	Change	Volume
Microsoft	100.00	+2.00	1,100,000
IBM	125.00	+1.00	1,200,000
Apple	75.00	+1.00	1,000,000
Oracle	60.00	+1.00	900,000
Amazon	45.00	+1.00	800,000
Google	35.00	+1.00	700,000
Yahoo	25.00	+1.00	600,000
Alibaba	15.00	+1.00	500,000
Facebook	10.00	+1.00	400,000
Twitter	5.00	+1.00	300,000

Symbol	Price	Change	Volume
Microsoft	100.00	+2.00	1,100,000
IBM	125.00	+1.00	1,200,000
Apple	75.00	+1.00	1,000,000
Oracle	60.00	+1.00	900,000
Amazon	45.00	+1.00	800,000
Google	35.00	+1.00	700,000
Yahoo	25.00	+1.00	600,000
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Facebook	10.00	+1.00	400,000
Twitter	5.00	+1.00	300,000

NYSE

Thursday's 4 P.M. Close  
(Continued)

Symbol	Price	Change	Volume
IBM	125.00	+1.00	1,200,000
Microsoft	100.00	+2.00	1,100,000
Apple	75.00	+1.00	1,000,000
Oracle	60.00	+1.00	900,000
Amazon	45.00	+1.00	800,000
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Twitter	5.00	+1.00	300,000







SPORTS

# How the NFL Teams Shape Up for the New Season

After Training, Trading and Drafting, Sunday Brings First Test for 29 Franchises Chasing Champion Denver

Washington Post Service

## NFC CENTRAL

### Chicago Bears

1997: 4-12.

In this offseason, the Bears released two former first-round draft picks—DE Alonzo Spellman and RB Rashawn Salaam—and did not re-sign six other players who opened 1997 as starters. Rookie RB Curtis Enis finally signed after missing almost one month of training camp, but signing veteran RB Ben Morris (774 yards rushing) means he will not have to be rushed. An entire season from WR Curtis Conway (average of 58 receptions, 7 TDs in past three seasons) would help.

### Detroit Lions

1997: 9-7. (lost to Bucs in wild-card game).

The pressure is on QB Scott Mitchell: He is 27-28 as a starter for the Lions, including 0-2 in the playoffs. But he still has RB Barry Sanders (2,053 yards rushing, the second-best single-season total in NFL history) and WR Herman Moore (104 receptions for 1,293 yards and 11 TDs). Sanders and Moore will get a new running mate, NR Germaine Crowell. The defense will have at least three new starters after ranking 14th in the NFL last season.

### Green Bay Packers

1997: 13-3. (lost to Broncos in Super Bowl).

It is doubtful that rival NFL coaches missed the Broncos running for 179 yards against the Packers in the Super Bowl. The Packers traded their 1998 second-round draft choice to draft the 6-foot-5, 296-pound DE Vonnie Holliday, whom they hope can help solidify the line. However, Green Bay's offense could be good enough to overshadow any defensive shortcomings.

### Minnesota Vikings

1997: 9-7. (lost to 49ers in playoffs).

The Vikings moved John Randle (15.5 sacks) from tackle to end to the end of last season, and they went on a three-game winning streak. Randle could play both positions this season. DE Stalin Colinet's improvement made Smith (13.5 sacks) combined over the past two seasons) expendable. The gamble on rookie WR Randy Moss looks for now like it has paid off. And he joins a receiving corps that already includes Cris Carter and Jake Reed, who each had 1,000-yard receiving seasons in 1997. The health of QB Brad Johnson is vital. He injured his neck last season and apparently has not regained all the strength in his throwing hand.

### Tampa Bay Buccaneers

1997: 10-6. (lost to Pack in playoffs).

The doubts surrounding coach Tony Dungy during a 1-8 start in 1996—his rookie season—have vanished. Since then, the Buccaneers have won 16 of 25, including their first playoff victory since 1979. The defense, ranked third in the NFL last season, had a front four that combined for 36.5 sacks.

But the Buccaneers' offense was 29th in the league and its passing was 30th, despite a club-record 21 touchdown passes from QB Trent Dilfer and nearly 1,000 yards rushing from rookie of the year Warrick Dunn. The Bucs still need to find a way to beat Green Bay; they lost three games to the Packers last season without giving up more than 21 points.

## NFC WEST

### Atlanta Falcons

1997: 7-9.

Last season RB Jamal Anderson

rushed for 1,002 yards. QB Chris Chandler was the NFC's second-rated passer (202 of 343 for 2,692 yards passing, 20 TDs, 7 INTs) and the team won six of its final eight games. In all, the Falcons were 7-3 with Chandler, 0-6 when he missed part or all of a game because of injuries. Atlanta's defense was second in the NFL with 35 sacks last season—12 by DE Chuck Smith, 10.5 by DT Travis Hall.

### Carolina Panthers

1997: 7-9.

The defense will start at least five players who were not on the team last season. The biggest is DT Sean Gilbert, whose seven-year, \$46.5 million contract was the richest ever signed by a defensive player. Former Steelers all-pro LBs Kevin Greene (10.5 sacks) and Greg Lloyd are reunited. QB Kerry Collins must improve over last season, when he totaled 2,124 yards passing, 11 TDs and 21 interceptions.

### New Orleans Saints

1997: 6-10.

Coach Mike Ditka pledged to be calmer this season, but he has not started well. He got in a shouting match with LB Andre Royal after the linebacker's first practice. Royal (73 tackles, five sacks last season) was later traded to the Colts. New Orleans's blitz-happy defense led the NFL with 58 sacks last season, and the club signed one of Carolina's best defenders in S Chad Cota (117 tackles). The season must start well—the Saints do not face a team that made the playoffs last season until New England in Week 5.

### St. Louis Rams

1997: 5-11.

Mike White, the Raiders' coach from

1995 through '96, will tutor fumble-prone QB Tony Banks (3,254 yards passing, 14 TDs, 13 INTs). White might be more help if he could play offensive line: In Banks's 30 career games, he has been sacked 91 times. WR Isaac Bruce (56 receptions) is Banks's favorite target. The Rams believe they bolstered their running game by signing RB Greg Hill (550 yards rushing), but WR Eddie Kennison slumped from 54 catches as a rookie to 25 last season.

### San Francisco 49ers

1997: 13-3 (lost to Packers in NFC championship).

QB Steve Young continues to put up superb numbers, but he has not played an entire season since 1994. The 49ers covered themselves by signing QB Ty Detmer. But the right side of the offensive line is a mess: Kirk Safford, who started at tackle last season, may be forced to retire because of a bulging disk in his neck, while starting G Kevin Gogan has injured his neck and back. On defense, the club added CB Antonio Langham and LB Wendell Tubbs (160 tackles), but lost 27 of its 54 sacks.

## NFC EAST

### Arizona Cardinals

1997: 4-12.

Despite a 4-12 finish, season ticket sales are up by 3,000. That's because the Cardinals appear to have one of the NFC's best defenses, led by Andre Wadsworth. DT Eric Swann, DE Simeon Rice and CB Aeneas Williams. Their rushing offense, however, was last in the NFL last season. It will be helped by RB Adrian Murrell, who had consecutive 1,000-yard rushing seasons with the Jets, and RB Mario Bates (the Saints' leading rusher from 1994 to '96). It's a good thing second-year QB Jake Plummer is mobile: his line, which gave up 78 sacks a year ago (second-most in NFL history), has one new starter.

### Dallas Cowboys

1997: 6-10.

Coach Chan Gailey, who had been the Steelers' offensive coordinator, replaced Barry Switzer, but that does not mean he will get a grace period. The team stars are getting older and the organization is in a hurry to forget last season's disaster, not to mention continuing off-field problems. The offensive line seems refocused. There finally is a quality backup for RB Emmitt Smith—RB Chris Warren. Dallas's pass defense was the NFL's best last season despite intercepting only seven passes.

### New York Giants

1997: 10-5-1. (lost to Vikings in playoffs).

The youth movement resisted by former coach Dan Jim Reeves flourished last season under coach of the year Dan Fassel. The league's youngest defense, forced 44 turnovers and had 54 sacks (14 by DE Michael Strahan), but this season's schedule is tougher. And losing LB Corey Miller and injured CB Jason Sehorn will hurt. But the Giants have a lot of depth on defense. QB Danny Kanell was 7-2-1 as a starter last season, and the passing game should improve with WR Ike Hilliard's return from a neck injury and the drafting of WRs Joe Jurevics and Bryan Alford. RBs Charles Way (698 yards),

### Philadelphia Eagles

1997: 6-9-1.

Coming off the team's worst season since 1986, coach Ray Rhodes—the 1995 coach of the year—faces a critical year. QB Bobby Hoying went from third-string to starter last season and finished with 1,573 yards passing, 11 TDs and 6 INTs. The QB job is his from the beginning this season. With RB Ricky Waters's departure, the running game primarily is in 5-foot-9, 187-pound RB Charlie

Garner's hands. But FB Kevin Turner (48 receptions) also should get his share of work. DE Mike Mamula (53 tackles, four sacks) will miss the season after tearing ligaments in his right knee. That makes a potentially tough early schedule look even more daunting.

### Washington Redskins

1997: 8-7-1.

Seeking to make the playoffs for the first time since 1992, the Redskins have tried to shore up the league's 28th-ranked rushing defense by adding NFL defensive player of the year DT Dana Stubblefield and DT Dan Wilkinson. But now that the team is anchored inside, DE Rick Owens's injury could leave them vulnerable outside. But the linebackers and secondary remain strong, so improved run defense should mean improvement overall. The offensive line does not seem much better than it was last season, when the offense was ordinary. That will not make the lives of QB Gus Frerotte and RB Terry Allen any easier. Frerotte, who is trying to come back from a mediocre season, will be further handicapped if WR Michael Westbrook remains a disappointment.

## AFC EAST

### Buffalo Bills

1997: 6-10.

QB Rob Johnson is unproven, but the Bills traded their 1998 first- and fourth-round draft picks to get him after having the AFC's second-worst offense last season. Antowain Smith (840 yards rushing) is slated to replace Thurman Thomas as the featured running back, and offensive coordinator Joe Peady is installing a two-back system with FB Sam Gash at fullback. But 34-year-old Andre Reed and 33-year-old Quinn Early remain the primary wide receivers and the line appears ordinary. Ted Washington and all-pro Bruce Smith (14 sacks at age 34) anchor one of the best defensive lines in the league. But with the losses of LB Bryce Paup (nine sacks) and LB Chris Spielman, who decided to be with his wife, who has breast cancer, unheralded LBs Sam Rogers, John Holecak and Gabe Northerm will have a lot to do with the success of the defense.

### Indianapolis Colts

1997: 3-13.

It's all about the No. 1 draft pick, QB Peyton Manning and new President Bill Polian. Polian, who helped build the Bills and then the Panthers, has been hard at work reconstructing the coaching staff. Manning already has a terrific running back, Marshall Faulk, and one talented wide receiver, Marvin Harrison (73 receptions for 866 yards, six TDs), but WR Sean Dawkins' departure means someone new will have to be the No. 2 receiving threat. But the biggest issue probably will be giving Manning time to work: The Colts allowed 62 sacks last season.

### Miami Dolphins

1997: 9-7. (lost to Patriots in playoffs).

Time is winding down for Dan Marino to win a Super Bowl, and this doesn't look like the year. Last season ended acrimoniously, when the Dolphins scored a combined 15 points while losing their final two regular season games and their wild-card game. Now, there is a new offensive coordinator—Kippy Brown—and a new, run-oriented system featuring Karim Abdul-Jabbar and rookie RB John Avery. How will Marino react? Will he blend with a group of receivers that may as well be entirely new. A defense that was the AFC's third-worst last season should be improved.

### New England Patriots

1997: 10-6. (lost to Steelers in playoffs).

Ernie Zampese, Dallas's offensive coordinator the past four years, has been

hired to improve an offense that has a strong talent base, albeit one that was weakened by star RB Curtis Martin's departure. The players' ability to adjust to a new system will be crucial. So will the progress of second-year RB Sedrick Shaw and RB Robert Edwards. QB Drew Bledsoe passed for 3,706 yards and 28 TDs last season, and again will have a wide array of fine targets from which to choose.

### New York Jets

1997: 9-7.

After coming within one victory of taking the team from a 1-15 record in 1996 to making the playoffs last season, coach Parcells has continued his reconstruction efforts. The biggest offseason moves were signing Curtis Martin and letting QB Neil O'Donnell go. But if QB Glenn Foley—who has five career starts—falters, a controversy involving QB Vinny Testaverde is bound to erupt. LB Marvin Jones's injury forced New York to sign the outspoken Bryan Cox, and will place a greater burden on OLBs Mo Lewis (eight sacks) and James Farrior.

## AFC CENTRAL

### Baltimore Ravens

1997: 6-9-1.

The offense begins with the reunion of QB Jim Harbaugh and coach Ted Marchibroda, who worked together in Indianapolis. Without Alexander, the health of WR Michael Jackson and WR/KR Jermaine Lewis is important, as is the development of Johnson, who has tremendous speed. Potts and a line led by all-pro Ts Jonathan Ogden and Orlando Brown should be able to clear the way for RB Erick Rettu and RB Jay Graham. Defensively, the Ravens look like they will be able to rush passers.

### Cincinnati Bengals

1997: 7-9. fourth in division.

Cincinnati signed free agent QB Neil O'Donnell to a four-year, \$17 million deal, and he proceeded to displace Jeff Blake, who had figured to start with the departure of Eliason to "Monday Night Football." O'Donnell will have quality WRs in Daray Scott and Carl Pickens. RB Corey Dillon (1,129 yards rushing) had an exciting rookie season last year, including a 346-yard rushing game. Meanwhile, the defense appears to have been upgraded considerably.

### Jacksonville Jaguars

1997: 11-5. (lost to Broncos in playoffs).

Mark Brunell was the AFC's No. 1-rated quarterback last season despite suffering an early knee injury. He is healthy this season, as is one of the league's best receiving tandems, Keenan McCardell (85 receptions for 1,164 yards) and Jimmy Smith (82 for 1,324). The offensive line, led by T Tony Boselli, is superb. A big question is: Who carries the ball? The defense should improve from last season, when it suffered numerous injuries and was ranked 23d.

### Pittsburgh Steelers

1997: 11-5. (lost to Broncos in AFC championship).

Kordell Stewart stopped being "Slush" and started being a full-time quarterback. Like all second-year starters, he needs to grow in consistency and decision-making after a sometimes spectacular, sometimes frustrating season. But he has the NFL's top rushing offense, which features RB Jerome Bettis (1,665 yards) and all-pro C Dermontti Dawson. The defensive front seven again looks tough after leading the league in rushing defense. The biggest question is in the secondary.

### Tennessee Oilers

1997: 8-8.

After practicing in Nashville, but playing home games in Memphis, the Oilers have yet another new home—Vanderbilt Stadium in Nashville. They also have a

new pair of talented wide receivers in Yancey Thigpen and Dyson, who will be a key to improving what was the league's second-worst passing offense. QB Steve McNair (2,665 yards passing, 674 yards rushing) should run less and RB Eddie George (1,399 yards, seven TDs) should run more. Gary Walker and Kenny Holmes are strong on the defensive front (seven sacks each). Pro Bowl safety Blaine Bishop anchors the secondary (81 tackles).

## AFC WEST

### Denver Broncos

1997: 12-4. (Won Super Bowl).

It is hard to improve a team that had the NFL's top-ranked offense and the AFC's top-ranked defense and also won the Super Bowl. Terrell Davis (AFC-best 1,750 yards rushing) should excel again behind an undersized offensive line. TE Shannon Sharpe (72 receptions for 1,107 yards) continues to be one of the league's best and WR Rod Smith (70 receptions for 1,180 yards, 12 TDs) got a six-year contract extension. The defensive line will remain strong with Neil Smith and Maa Tanavasa (eight sacks each).

### Kansas City Chiefs

1997: 13-3. (lost to Broncos in playoffs).

Derrick Alexander (65 receptions for 1,009 yards with Ravens) gives Kansas City two 1,000-yard receivers (Andre Rison had 1,092) and reunites Alexander with former Michigan teammate, QB Elvis Grbac. New offensive coordinator Jimmy Rayprobable will open the offense. LB Derrick Thomas should have more lanes to quarterback with the additions of ends Chester McClinton and Leslie O'Neal. The secondary is one of the league's best.

### Oakland Raiders

1997: 4-12.

The Raiders had the NFL's worst defense last season, and they lost Chester McClinton, who will be replaced by Darrell Russell. But their hope for further reinforcement from second-round draft choice Leon Bender took a tragic turn when Bender died of a seizure. CB Charles Woodson, seventh Heisman Trophy winner to play for the Raiders. Offensively, things look promising with QB Jeff George (3,917 yards, 29 TDs, 9 INTs). WR Tim Brown (104 receptions for 1,408 yards). RB Napoleon Kaufman (1,294 yards rushing) and TE Rickey Dickey getting to work with Graham, who had been the Eagles' offensive coordinator.

### San Diego Chargers

1997: 4-12.

Ryan Leaf. Ryan Leaf. Ryan Leaf. Having taken Washington State to the Rose Bowl, the quarterback takes over an offense that was the AFC's worst. Two of the team's top three pass-catchers from last season are gone. Leaf has RB Natreum Meaux and a reworked line that now has several former Super Bowl players and looks much better than the one that allowed 51 sacks last season. Defensively, LB Junior Seau (nine sacks) and talented strong safety Rodney Harrison (132 tackles) will lead the way, but the Chargers need more pressure from the defensive line (league-low 27 sacks, league-worst 425 points allowed), especially from DEs William Fuller and Marco Coleman.

### Seattle Seahawks

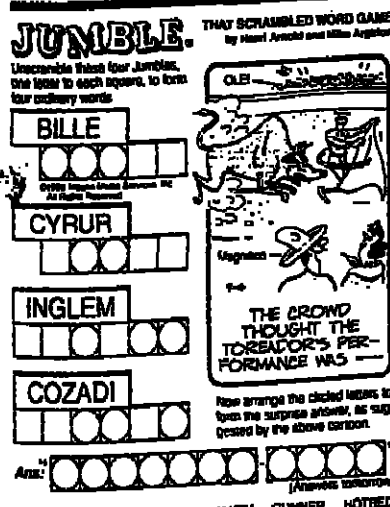
1997: 8-8.

Warren Moon, who will be 42 in November, threw for 3,678 yards and 25 TDs last season, then got into a protracted contract dispute. Now he will try to take the team to its first playoff game since 1988. That would be nice, given the millions owner Paul Allen has paid to free agents and draft picks. WR Joey Galloway (72 receptions for 1,049 yards and 12 TDs) almost makes up for the lack of depth at that spot.



Quarterback John Elway throwing for Super Bowl champion Denver.

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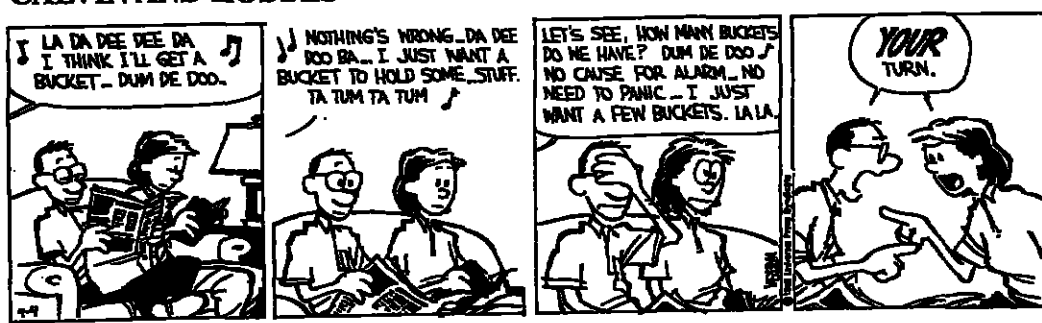
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## POSTCARD

## A Sign of the Times?

By Amanda Hesser  
New York Times Service

**NEW YORK**—When you arrive at Church Street between Franklin and White in search of 2 Seven 7, you are presented with a number of choices. There is a restaurant on the corner, lights aglow, but its sign says "Arqua."

There are black doors set off by tall columns that look like the entrance to a boutique under renovation. There are two shuttered shops. And there is, in fact, a door marked "277." Many people press the button at this door, but it buzzes some unfortunate tenant's apartment.

Which place is actually 2 Seven 7? The one behind the black doors. James Di Zazzo, an owner of this restaurant-

of-the-moment, explained the situation: "I just chose not to put a sign because it's kind of cool and it's kind of the vibe of downtown New York."

Who needs a doorman when no one can find the door?

Just when it seemed that the city's scene restaurants had

worked all the angles—from secret reservation numbers to exclusive back rooms—they have come up with another doozy. It is actually a simple psychological tactic: make something hard to find, and people, at least Manhattan's voracious scene-seekers, will want it all the more.

Never mind that the restaurant in question may offer only so-so service and mediocre food. Those who manage to find the place are in the know, and that's all that matters.

A few of New York's most popular restaurants, like Chez Es Sassa, Moomba and Lot 61, are practically blank walls facing pavement. Others display the tiniest, most cryptic variations on a sign—like the banner bearing a circular symbol that is supposed to lead you to Bond Street, a sushi restaurant in the East Village. Or the three blocks painted with vertical black bars that mark the entrance to Union

Pacific on East 22d Street, a restaurant that takes its understated decor seriously.

What could the Union Pacific symbol mean? Believe it or not, the blocks represent mahjong tiles, and the bars are meant to be read as the numeral 1—111 is the street address. Alert the mailman.

Even more esoteric, Blue Ribbon Sushi at 119 Sullivan Street displays a concrete relief with three kanji, the characters representing "Blue Ribbon Sushi" in Japanese. Which is helpful for all those people who can read kanji.

At its sister restaurant, Blue Ribbon, the name is painted in small print on the door, but for a long time, said Eric Bromberg, an owner, customers thought its name was "Oysters," which is what the blaring neon sign in the window says. (Experience hasn't moved Bromberg: his latest restaurant, Blue Ribbon Bakery, has no sign at all.)

"New Yorkers are pretty savvy about what's new," said Amy Sacco, the owner of Lot 61, at 550 West 21st Street. "I think they like not knowing. There's an element of excitement to not knowing."

Outside her restaurant is what she calls a "stump" with the name Lot 61. "It's like you can't see it," she said. "Nobody ever finds it."

Instead, they ask someone at the taxi garage down the street or at the Opera, a nearby nightclub. "They say they're a directory service for Lot 61," she added.

So what's the point? Cultivating mystique, after all, can go only so far.

"I think it is a marketing ploy, more than anything else," said Adam Tibany, the designer of such restaurants as Le Cirque 2000 and Jean Georges. "Especially in a place like New York, where people will find any excuse so you can talk about it."

Or it could be the antidote to the in-your-face approaches you get at places like Planet Hollywood and the All-Star Café.

Restaurateurs who disdain signage, of course, claim to have a higher purpose.

Di Zazzo admits that not having a sign at 2 Seven 7 is a hassle for his customers—some of them celebrities like John F. Kennedy Jr. and Amber Valetta. But, he said, "I do it so they can feel a little more secure and a little more isolated in New York City."

Of course, that raises the question: If that's what you're after, why go out at all?

## Rome's Concert Center Rises From the Ruins

By John Tagliabue  
New York Times Service

**ROME**—Four years after winning his first commission to design a building in Rome, Renzo Piano watches as three concert halls, known collectively as the Rome Auditorium, rise on the northern outskirts of the city; he hopes they will be ready by 1999, the eve of the new millennium.

Work on the auditorium, the latest project in Italy by the 60-year-old architect, the winner of this year's Pritzker Architecture Prize, has been delayed by criticism of its design and materials, and by the discovery on the building site of Roman ruins. (It is hard to drive a spade into Roman soil without striking ruins.)

Perched atop a vast horseshoe-shaped base of brick and travertine, the \$145 million auditorium comprises three beetle-shaped halls—the largest for 2,700 people, the two smaller ones for 1,500 and 500—and will surround a 3,000-seat outdoor amphitheater. The complex will have restaurants, museums of music and musical instruments, and rehearsal halls, including one sufficiently large for a 120-piece orchestra plus chorus.

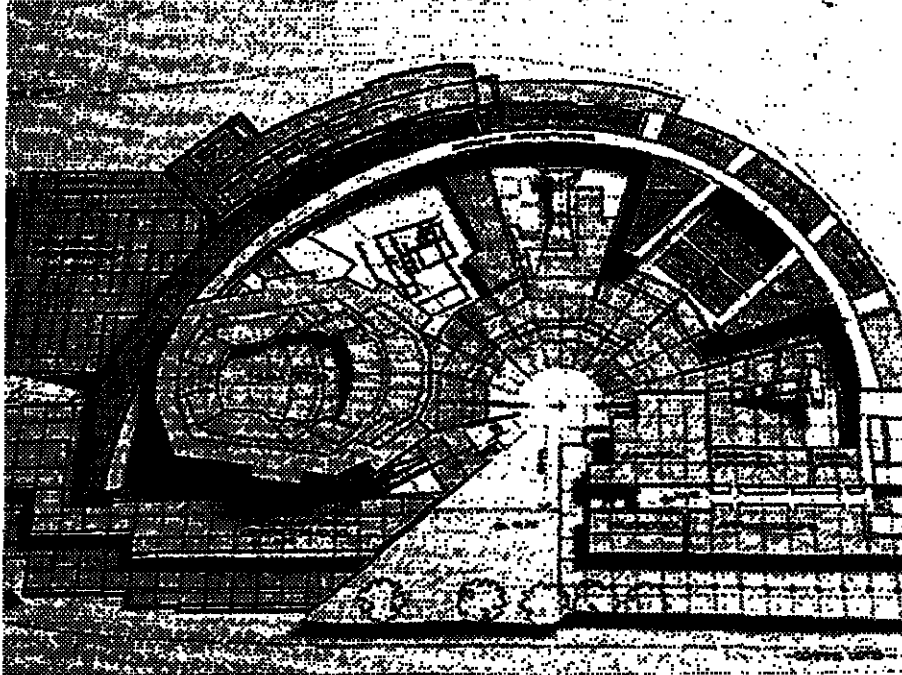
Piano is pursuing other spectacular projects in Europe, including rebuilding on the site of Berlin's Potsdamer Platz and raising an immense church at the monastery of the Italian mystic and healer Padre Pio in Foggia.

But none generates as much emotion for Piano as the auditorium, which will be home to the city's philharmonic orchestra and is to be inaugurated with a concert in late 1999, in time for the Jubilee, Rome's celebration of the coming millennium.

Striding across the building site, Piano remarked, "Rome is a special town, with a strong meaning." Despite the auditorium's stark modern design, he said he was trying "to give you the feeling that you are still in Rome."

Piano is a practical man, more interested in getting a building built than in defending the purity of a concept. Modifying the auditorium's design to make the Roman ruins low walls in volcanic tufa stone—visible to visitors, he said, "was not a problem, it was an enrichment."

The ruins gave "a special taste to the building," he said. "So a part of the scheme is belonging to Rome, while another part is belonging to the universe of music."



Part of Renzo Piano's architectural plans for the Rome Auditorium.

A museum will house Roman artifacts and objects found during the digging, including pottery and a remarkable decorative mask.

To be sure, Piano is neither a stranger to controversy nor a newcomer to the design of rooms for music. "I am passionate about music, though not a great expert in music," he said. A close friend is Luciano Berio, the Italian composer.

In 1971, Piano gained instant fame when he and Richard Rogers designed the museum and library in Paris known as the Georges Pompidou Center, with a dramatic, brightly colored exterior of tubes and pipes. With Berio and the French composer Pierre Boulez, Piano also created an underground center for experimental music beside the center.

Rome's philharmonic orchestra, the Accademia di Santa Cecilia, has sought a permanent home since 1935, when Mussolini ordered its old hall torn down to lay bare its foundation, the tomb of the Emperor Augustus, as part of a drive to restore Rome's imperial grandeur. Mussolini's pledge to build a new and grander hall for the philharmonic within 18 months had the substance of many of the dictator's promises.

"We've been through 63 years of abstinence," complained Bruno Cagli, general manager of the Santa Cecilia, which now rents a hall in central Rome from the Vatican.

By the early 1990s, Rome had a new mayor, Francesco Rutelli, who resolved to embellish the city for the Jubilee. In 1994, an international competition among eight invited architects, including the Dutch architect Herman Hertzberger, was won by Piano.

George Izenour, an American acoustics specialist who served on the jury, said the design of the largest and smallest of Piano's concert halls, with acoustics by the German specialist Holmut Mueller, was based on Berlin's Philharmonic Hall. The third hall will be used mainly for gatherings like conferences, Piano's design, Izenour said, was "far and away the best of the designs, as far as technical aspects were concerned."

In designing the Roman concert halls, Piano responded to the layout of the Berlin Philharmonic, which relies on the so-called vineyard effect, terracing the hall, and where the listeners surround the orchestra, with about 75 percent of the seats facing the musicians and 25 percent behind them.

Piano is known for large, adventuresome projects that stretch the limits of technology and often celebrate it, like the Pompidou Center. But this building more closely recalls some of the museum designs for which the architect is known, most notably the Menil Collection in Houston and the Fondation Beyeler in Basel, Switzerland: spare modernist cubes in which lighting and heating elements are hidden from view.

While the basic shapes of the auditorium's exterior resemble nothing so much as huge leaden beetles from the outside, the interiors will be characterized by sweeping hung ceilings to produce the open spaces that are acoustically desirable yet allow maximum seating arrangements.

The start of construction was scheduled optimistically for 1995, and the inauguration concert for late 1997. But delays set in.

First, a government approval board objected to, among other things, the widespread use of wood, a very un-Roman material, and demanded that the design be altered: Augustus, after all, boasted that he had found the city in brick and left it in marble.

With Rutelli's support, the design remained substantially unchanged, but work was further delayed for almost a year after workmen digging for the foundations unearthed the remains of pre-Christian buildings, including a villa. Only after Piano further changed the plans, rotating the entire complex on its axis and shifting it 18 feet to the north to include the ruins, could work resume.

Piano says the central amphitheater is the "most Roman" part of the auditorium, describing it as "not only a place for making music, but a piazza, a magnificent place, for ice skating in winter, with restaurants. It will make of this a very urban setting."

Piano's plans for the Pompidou Center and for Berlin's Potsdamer Platz also triumphed because of their imaginative use of vast open plazas. At the auditorium, a horseshoe-shaped foyer with restaurants and stores will surround the amphitheater. The concert halls are made of laminated wood sheathed with lead and the architect compares them to the resonance chambers of "three gigantic instruments."

"Wood is not a Roman material," Piano acknowledged, "but it will be covered with lead, and lead is a Roman material."

Work proceeds in several shifts, 14 hours a day, but there is no certainty that all will be ready on time.

"We're keeping our fingers crossed," Piano said.

## PEOPLE

A Mexican journalist who survived an assassination attempt last year is among four winners of the 1998 Maria Moors Cabot Prizes, Columbia University has announced. The prizes, for reporting that contributes to inter-American understanding and freedom of the press, will be presented Oct. 22 to: J. Jesus Blancornelas, editor in chief of the weekly Zeta in Tijuana, Mexico; Andres Oppenheimer, a foreign correspondent and columnist for The Miami Herald; Edmundo Cruz Vilchez, a reporter for La Republica in Lima, Peru; and William Lawrence Rohter Jr., Caribbean and Central American correspondent for The New York Times. Blancornelas was shot four times and his driver was killed when his car was sprayed with bullets in November. A Mexican judge has issued arrest warrants for seven members of a San Diego gang in connection with the murder and attempted assassination.

Robert A.M. Stern, who has designed notable buildings for Berlin, New York's Battery Park City and Walt Disney Co., is expected to be named Wednesday as the dean of the Yale School of Architecture. He will replace Fred Koetter, who has been dean for five and a half years and will return to private practice while remaining a part-time adjunct professor.

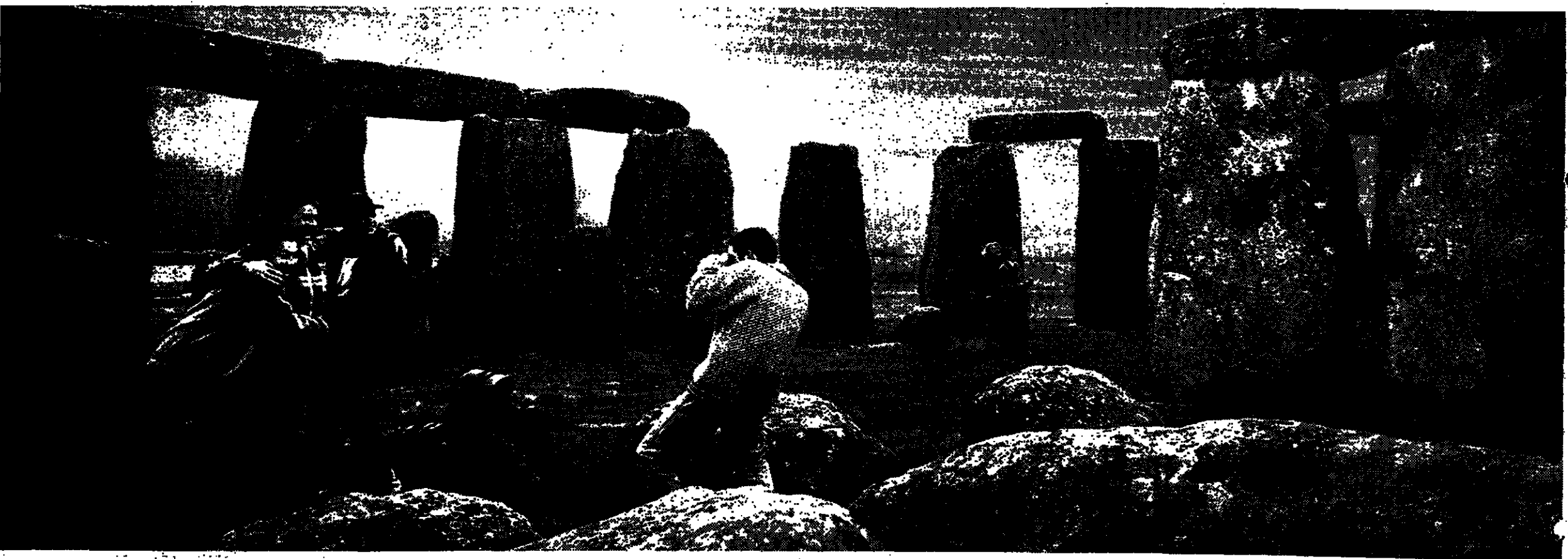
John Berendt, author of the best-selling book "Midnight in the Garden of Good and Evil," was hospitalized after suffering a mild heart attack. Berendt, 58, was in Savannah, Georgia, to sign copies of his book when he was admitted to Memorial Medical Center on Sunday. He remains in the coronary intensive care unit. Doctors said he will probably be released in a few days but still might need surgery.

Responding to protests from Indians and ecologists, a German artist says he will return a 30-ton rock he took from a pristine national park in Venezuela. Wolfgang Schwarzenfeld wanted to include the rock in a Berlin exhibit of stones from around the world, but it was taken from Canaima National Park, home of the world's highest waterfall and mysterious flat-topped mountains that help inspired Sir Arthur Conan Doyle's classic adventure story, "The Lost World." Schwarzenfeld decided to return the rock after protesters tried to block a truck that was carrying it out of the park.

In 1498, the Habsburg Emperor Maximilian I decreed that soprano and alto parts be provided in the sacred music performed for the monarchy in the Imperial Chapel. Thus, the Vienna Boys Choir was established. In celebration of its 500th anniversary, the ensemble will tour 10 North American cities from Oct. 12 to 25. Joined by the Chorus Viennensis, an ensemble of former Vienna Boys Choir members, and by the Vienna Chamber Orchestra, the group will present works by, among others, Mozart, Haydn, Schubert and Antonio Salieri, the choir's artistic director for nearly 40 years.



CIAO—Steven Spielberg arriving for the Venice Film Festival. His film "Saving Private Ryan" will open the festival, which runs from Thursday until Sept. 13.



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